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GIANT YELLOWKNIFE MINES LIMITED

Remarks by

Mr. H. J. FRASER
PRESIDENT

and

Mr. P. N. PITCHER
VICE-PRESIDENT AND MANAGING DIRECTOR

to

Annual Meeting of Shareholders
Royal York Hotel, Toronto
April 14, 1966

Ladies and Gentlemen:

We take pleasure in welcoming you to the annual meeting of your Company. May we thank you for your interest in attending and also express thanks to those shareholders who have mailed in their proxies.

As you are already aware from our 1965 annual report, the past year was an active one at our gold property in the Northwest Territories. Our operating figures were satisfactory, despite a manpower shortage, although they did not reach the record levels of 1964 in terms of ore treated and gold produced. The value of metal production was some \$554,000 less than the preceding year. The treatment of considerable production from small ore lenses adjacent to the active working areas and of less than mine average grade, reduced the mill heads to 0.722 ounces per ton compared to 0.745 in 1964.

The decline in net income from \$4,874,749 (or \$1.13 per share) to \$3,611,423 (or 84 cents per share) was attributable to these main factors:

— Decrease in metal production \$	554,000
— Provision for income taxes	580,000
— Increase in operating costs, reflecting sharp increases in material and labour costs*	298,000
— Increased exploration and development expenditures on Supercrest and Lolor properties	230,000
Total	\$1,662,000

*(The new two-year labour contract, effective April 1965, provided higher wages and benefits for production employees.)

These increased costs were offset in part by lower write-offs and a non-recurring profit on sale of fixed assets.

The net earnings for the year amounted to 84 cents per share. Dividends paid including extras totalled \$1.00, the same as in 1964. Rising costs and increased income taxes forecast for 1966 indicate at this time that earnings will support quarterly dividends of 15 per share. Any consideration of an extra dividend will be deferred until later in the year.

Regarding the Lolor Mines Limited in which your company has an 87½% interest, as at the end of 1965 Giant had expended some \$434,000 on exploration and development of the property of that company and it is expected commercial production will commence during the latter part of 1966. The mining and treatment of the ore will be carried out by Giant under an agreement with Lolor. All the exploration and development costs prior to production will be first repaid to Giant and thereafter Giant will recover 87½% of the profits.

MINE DEVELOPMENT AND EXPLORATION

Ore reserves at year-end increased by some 60,000 tons and an intensive underground exploration programme is planned in the LAW and North Giant Zones during the year.

SUPERCREST MINES LIMITED

The underground development of the Akaitcho Zone north of Giant is proceeding satisfactorily and results to date have been moderately encouraging.

GENERAL EXPLORATION

Exploration parties are again active in the Northwest Territories beyond the limits of the mine area and in the Pine Point area.

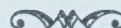
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Other business of the meeting included the re-election of the Board of Directors, as follows:

Messrs.

A. J. Anderson
C. R. Archibald
B. S. W. Buffam
T. D. Carlson
H. J. Fraser
E. L. Healy
W. F. James
P. N. Pitcher
J. D. Streit

At a meeting of the directors held subsequent to the Annual Meeting, the directors declared a dividend of 15¢ per share payable in Canadian funds on June 15, 1966 to shareholders of record as at the close of business May 16, 1966.



INTERIM STATEMENT OF EARNINGS
FOR THE THREE MONTHS ENDED
MARCH 31, 1966

	3 Months ended March 31, 1966	3 Months ended March 31, 1965
OPERATING RECORD		
Tons milled	97,022	98,260
Average per day	1,078	1,092
Average mill heads per ton	0.643	0.746
Gold recovered, ounces	56,440	65,371
Silver recovered, ounces	4,206	5,642
STATEMENT OF INCOME		
Metal production (less marketing charges)	\$2,128,026	\$2,444,519
Operating expenses	1,308,375	1,185,219
	<u>\$ 819,651</u>	<u>\$1,259,300</u>
Provision for amortization and depreciation	\$ 52,465	\$ 75,822
Exploration expenditures on contiguous Yellowknife properties	81,768	64,802
Exploration expenditures, other areas	77,938	13,460
	<u>\$ 212,171</u>	<u>\$ 154,084</u>
	\$ 607,480	\$1,105,216
Non-operating revenue	74,365	69,082
	<u>\$ 681,845</u>	<u>\$1,174,298</u>
Income taxes	175,000	203,000
Estimated net income	<u>\$ 506,845</u>	<u>\$ 971,298</u>
Average price received for gold	\$ 37.89	\$ 37.57
Net income per share	\$.12	\$.23
CAPITAL EXPENDITURES		
Plant and equipment	\$ 33,903	\$ 23,159

(The above figures are subject to audit)

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**YELLOWKNIFE MINES
LIMITED**

Remarks by

Mr. H. J. FRASER
PRESIDENT

to

Annual Meeting of Shareholders
King Edward Sheraton Hotel, Toronto
April 21, 1967

Including

Interim Statement of Earnings
for three months ended March 31, 1967

Ladies and Gentlemen:

We welcome you to the annual meeting of your company. May we express our appreciation to those who are present today and to those who have mailed in their proxy forms.

As you have noted in the annual report, 1966 was another difficult year at our property in the Northwest Territories.

Earnings at \$2,100,000 or 49 cents per share, were \$1,511,000 below the 1965 level of \$3,611,000 or 84 cents per share. This decrease was caused principally by a drop in the grade of mill feed, continuing the trend that began in 1965. We have now a smaller number of large, high-grade stopes available for mining and are experiencing more dilution as we draw ore from many small irregular ore bodies.

Production in 1966 showed a decrease as we milled 384,000 tons compared with 395,000 a year earlier. The ounces of gold produced dropped by 30,000 (from 255,000 ounces in 1965 to 225,000 ounces in 1966).

The net value of metals produced was therefore lower, decreasing from \$9,565,000 in 1965 to \$8,517,000 last year.

Dividends paid for 1966 totalled 60 cents per share, a small portion of which was made out of retained earnings. While working capital was down by \$963,000, it nevertheless remains strong at \$6,264,000.

We have been carrying on an active programme of exploration and development in an effort to strengthen our ore reserves position, but unless major ore discoveries are made at the property, we can anticipate a continued decline in reserves.

Exploration and development work continued, from Giant underground workings, on the properties of both Supercrest Mines Limited and Lolor Mines Limited. Production at both of these properties is planned to begin in 1967. Milling of this new production, which will be carried out in the Giant treatment plant, should be considered as replacement ore, however, and not additional to the present milling rate.

During the year, Giant and Falconbridge transferred to Northbelt Yellowknife Mines Limited, all of their respective properties lying to the north of the Giant mine. These properties, together with the land already held by Northbelt, extend some 9 miles in length and consist of 117 claims. Giant has an option to expend in excess of \$400,000 in exploring these properties in return for additional shares of the Northbelt company. Giant also carried on joint exploration with Falconbridge Nickel Mines Limited on claims in the Pine Point area and undertook directly other off-property exploration projects.

As in the previous year the shortage of skilled miners and tradesmen continued to have an adverse effect on operations. While we have a full crew underground at present, we are still short of skilled miners.

Negotiations are currently under way for a new Collective Bargaining Agreement with Local 802 of the Union of Mine Mill and Smelter Workers. It is hoped that these negotiations come to a successful conclusion in the near future.

Shareholders will have seen in the company's annual report an aerial photograph of the Town of Yellowknife as it stands today. It seems fitting at this Annual Meeting

of Shareholders of Giant Yellowknife Mines Limited that we should take note of the action of the Government in establishing Yellowknife as the capital of the Northwest Territories which reflects an active policy of the Government in Ottawa and the new Department of Indian Affairs and Northern Development to exert the utmost efforts to encourage the development of Canada's Northwest Territories. We of the Giant Yellowknife Company are pleased that of all the Territorial locations, Yellowknife should have been chosen as the site of the capital. We are in our twentieth year of production of gold and have been fortunate in being the largest industrial unit in the Northwest Territories for most of this period, being passed only in the last year or two by the base metal developments at Pine Point.

The future of the Territories is dependent upon the existence of industry, and in this regard, Giant has pursued an active exploration program every year and expended an average of \$200,000 per year for the past ten years on outside exploration in seeking for new mines, and have ranged the Territories from the Arctic Ocean to Hudson Bay.

New mines can and will be found, and new capital from outside must be attracted to the Northwest Territories and exploration work pursued. It is well that those in Government have constant reminders that industry can only be established and thrive if it is sound economically. Every practical effort must be asserted by Government to minimize costs of operation in the mining industry, particularly in the more remote areas.

The development of the Territories presents the same problems and risks which

challenged the early pioneers in other parts of Canada, and merits the thoughtful and businesslike support of Government to attract the capital and personnel which must come from outside. Giant, for its part, is continuing with its exploration efforts. However, if the recommendations contained in the Carter report are implemented by the Federal Government, your company would have to make a careful re-assessment of the advisability of continuing exploration work in Northern Canada.

Once again we wish to thank you for your attendance at this meeting and for your interest in the affairs of your company.

* * *

Other business of the meeting included the re-election of the Board of Directors as follows:

Messrs.

A. J. Anderson
C. R. Archibald, Q.C.
B. S. W. Buffam
T. D. Carlson
H. J. Fraser
E. L. Healy
W. F. James
P. N. Pitcher
J. Douglas Streit

INTERIM STATEMENT OF EARNINGS
FOR THE THREE MONTHS ENDED
MARCH 31, 1967

	3 Months ended March 31, 1967	3 Months ended March 31, 1966
OPERATING RECORD		
Tons milled	98,737	97,022
Average per day	1,097	1,078
Average mill heads per ton	0.634	0.643
Gold recovered, ounces	56,813	56,440
Silver recovered, ounces	6,592	4,206
STATEMENT OF INCOME		
Metal production (less marketing charges)	\$2,129,787	\$2,128,026
Operating expenses	1,276,016	1,308,375
	<u>853,771</u>	<u>819,651</u>
Provision for amortization and depreciation	68,071	52,465
Exploration expenditures on contiguous Yellowknife properties	95,935	81,768
Exploration expenditures, other areas	72,895	77,938
	<u>236,901</u>	<u>212,171</u>
	616,870	607,480
Non-operating revenue	90,872	74,365
	<u>707,742</u>	<u>681,845</u>
Income taxes	197,000	175,000
	<u>\$ 510,742</u>	<u>\$ 506,845</u>
Average price received for gold	\$ 37.62	\$ 37.89
Net income per share	\$.12	\$.12
CAPITAL EXPENDITURES		
Plant and equipment	\$ 60,467	\$ 33,903

(The above figures are subject to audit)

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**GIANT
YELLOWKNIFE MINES
LIMITED**

Remarks by

**Mr. H. J. FRASER
PRESIDENT**

to

**Annual Meeting of Shareholders
King Edward Sheraton Hotel, Toronto
April 23, 1968**

Including

**Interim Statement of Earnings
for three months ended March 31, 1968**

Ladies and Gentlemen:

On behalf of the Directors and Officers, I welcome you to the Annual Meeting of your Company. The 1967 Annual Report was mailed to you some weeks ago and I hope you have had an opportunity to study it in detail.

The past year was another difficult one for our operations in the Northwest Territories.

Production in 1967 showed a decrease, with 332,000 tons milled compared with 386,000 tons in the previous year. The ounces of gold produced dropped by 30,000 (from 227,000 ounces in 1966 to 197,000 ounces in 1967). Earnings at \$1,400,000 or 33 cents per share were \$700,000 below the 1966 level of \$2,100,000 or 49 cents per share. The lower tonnage mined and the decrease in earnings were, in large part, caused by a continuing and critical labour shortage.

Dividends paid to our shareholders for 1967 totalled 40 cents per share, a small portion of which was paid out of retained earnings. Working capital was down by \$209,000, but remains strong at \$6,059,000.

Operating results for the first time include those of Lolor Mines Limited and Supercrest Mines Limited, on a consolidated basis. Lolor is 87½ per cent owned and Supercrest 50 per cent owned by Giant and the properties are contiguous to and connected underground with the Giant mine. The mining and milling operations of both of these affiliates are conducted by your Company. Neither Lolor nor Supercrest is expected to realize net profits in 1968 as development, diamond drilling, and stope preparation will not be sufficiently advanced until the following year.

During the year the shortage of skilled miners and tradesmen became critical, and considerable overtime work was required to maintain operations. This, in turn, resulted in higher costs. Our present collective agreement expires in September of this year and negotiations will proceed on a new contract. Increasing labour and material costs will make it unlikely that operating costs can be reduced in the future. The upward trend in our costs has forced an upward revision in the mine cut-off grades, and as a result, certain low grade ore blocks have been dropped from reserves.

Exploration efforts continued during the past year in the Giant mine and at the Lolor and Supercrest properties; however, the new ore indicated during the year was not sufficient to replace the ore mined.

Outside exploration continued at about the same rate as in previous years. No particular encouragement was obtained from any of the prospects that received major attention in 1967.

Production for the first three months of 1968 was about 6 per cent below target, partially because of a continuing shortage of skilled miners. The value of metals produced was \$2,048,000 and operating costs were \$1,478,000. Net income was \$415,119 or 10 cents per share, compared to \$486,563 or 11 cents per share in the first quarter of 1967.

Exploration expenditures were higher than expected for the first quarter. Unusually mild weather permitted an early start on the 1968 field program.

It is as yet unclear how the two-tier price system for the sale of gold will affect your

Company in the future. The market situation is confused and the significance of the present market price is not clear. It is interesting to note, however, that industrial consumption is increasing at a rate of 15 per cent per year. At the current rate of production (excluding the U.S.S.R.) industrial consumption will exceed production in less than seven years.

* * *

Other business of the meeting included the re-election of the Board of Directors as follows:

Messrs.

A. J. Anderson

C. R. Archibald, Q.C.

B. S. W. Buffam

D. R. Delaporte

H. J. Fraser

E. L. Healy

W. F. James

G. P. Mitchell

J. Douglas Streit

GIANT YELLOWKNIFE MINES LIMITED

CONSOLIDATED STATEMENT OF EARNINGS

	First Quarter	
	1968	1967
OPERATING RECORD		
Tons milled	90,936	98,737
Average per day	999	1,097
Average mill heads per ton	0.667	0.634
Gold recovered, ounces	53,779	56,813
Silver recovered, ounces	5,387	6,592
STATEMENT OF INCOME		
Metal production (less marketing charges)	\$2,047,801	\$2,129,787
Operating expenses	1,478,056	1,276,016
	<u>569,745</u>	<u>853,771</u>
Amortization and depreciation	87,506	68,071
Exploration expenditures —		
Contiguous Yellowknife properties	22,785	120,114
Other areas	43,661	72,895
	<u>153,952</u>	<u>261,080</u>
	415,793	592,691
Non-operating revenue	83,012	90,872
	<u>498,805</u>	<u>683,563</u>
Income taxes	139,000	197,000
	<u>359,805</u>	<u>486,563</u>
Add minority interest in losses of subsidiary companies	55,314	—
Estimated net income	<u>\$ 415,119</u>	<u>\$ 486,563</u>
Net income per share	\$.10	\$.11

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

	First Quarter	
	1968	1967
SOURCE OF FUNDS		
From operations		
Estimated net income for period	\$ 415,119	\$ 486,563
Depreciation and amortization	87,506	68,071
Minority interest in losses of subsidiary companies	(55,314)	—
	<u>447,311</u>	<u>554,634</u>
APPLICATION OF FUNDS		
Dividends paid	430,292	430,292
Additions to fixed assets (net)	59,397	60,467
Special refundable tax	—	15,900
Increase in other assets	99,119	13,571
	<u>588,808</u>	<u>520,230</u>
Increase (Decrease) in working capital	(141,497)	34,404
Working capital December 31, 1967	6,059,018	6,268,261
Working capital March 31, 1968	<u>\$5,917,521</u>	<u>\$6,302,665</u>

(The above figures are subject to audit)

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GIANT
YELLOWKNIFE MINES
LIMITED

Remarks by

Mr. D. R. DeLAPORTE
PRESIDENT

to

Annual Meeting of Shareholders
King Edward Sheraton Hotel, Toronto
April 25, 1969

Including

Consolidated Statement of Earnings
for three months ended March 31, 1969

Ladies and Gentlemen:

On behalf of the directors and officers, I welcome you to the Annual Meeting of your Company. May we express our appreciation to those who are present today and to those who have mailed in their proxy forms.

Before commenting on the business of your Company, I would like to pay tribute to our late President, Dr. Horace J. Fraser. Dr. Fraser became a director of the Company in 1961 and in 1962 assumed the presidency. He was a man of outstanding ability and experience and your Company benefited greatly from his wise counsel.

The 1968 Annual Report was mailed to you several weeks ago and I hope you have had an opportunity to study it.

In 1968 the labour supply picture in the Northwest Territories continued to be unsatisfactory and although there was some improvement in the number of people available, there was a continuing shortage in skilled workers. The large increase in the population of the Town of Yellowknife, sparked by the establishment of the Territorial Government in the town, aggravated an already difficult housing situation. The Company added twelve new housing units during 1968 in a continuing program designed to help stabilize the work force.

Earnings at \$1,990,000 or 46 cents per share were \$564,000 above the 1967 level of \$1,426,000 or 33 cents per share. As you know, your Company sells its gold on the free market and the increase in earnings was mainly attributable to a marked improvement in the price of gold on this market.

You will notice that despite an increase in the number of tons produced, unit operating costs increased from \$15.60 per ton milled in

1967 to \$16.03 per ton milled in 1968. This increase reflects the steadily increasing cost of material and labour.

Dividends paid for 1968 totalled 40 cents per share and these were more than covered by earnings. Working capital increased \$373,000 to \$6,432,000 at the end of 1968.

Production in 1968 showed an increase as we milled 374,717 tons compared to 331,922 tons in 1967.

An active program of underground exploration and development was continued on the main Giant property. New ore discovered fell short of ore mined and this is shown by the decline in the ore reserves.

Supercrest Mines Limited and Lolor Mines Limited, both completed their first full year of production in 1968. Ore from these properties is mined by Giant and processed in the Giant mill. Extensive exploration and development work continued on the Supercrest property and to a lesser extent on the property of Lolor Mines Limited.

Even though the free market price for gold has increased in recent months, it is still to the advantage of Supercrest and Lolor to sell their gold to the Royal Canadian Mint and receive the benefits under the Emergency Gold Mining Assistance Act.

Your Company continued to conduct an active exploration program in the Northwest Territories. In the immediate area to the north of the Giant operations our efforts were directed mainly to the exploration of the property of Northbelt Yellowknife Mines Limited. This program will be continued in 1969.

District exploration was also conducted on a number of claim blocks some optioned and some staked by the Company. The 1969

program will concentrate on a staked block of claims in the Coppermine River area and on staked and optioned blocks in the Hanbury River and other areas.

Labour relations were harmonious during the year. A new two-year collective agreement effective October 1, 1968, was negotiated. It is expected that the new rates established by this agreement and generally higher material costs will lead to an increase in operating costs in 1969.

Production for the first three months of 1969 was 99,661 tons. The value of metals produced was \$2,596,000 and operating costs were \$1,707,000. Net income was \$609,000 or 14 cents per share compared to \$415,000 or 10 cents per share in the first quarter of 1968.

The continuing financial health of your Company hinges on two major factors. In the short term, favourable prices on the free gold market will enhance the profitability of the Company and will help to compensate for further expected increases in labour and material costs. In the long term, the maintenance of a relatively favourable tax climate for Canadian mining ventures is most important for the continuing success of the Company. Any serious change in either factor would severely affect your Company.

* * *

Other business of the meeting included the re-election of the Board of Directors as follows:

Messrs.

A. J. Anderson
C. R. Archibald, Q.C.
B. S. W. Buffam
A. C. Callow
D. R. DeLaporte
E. L. Healy
W. F. James
G. P. Mitchell
J. Douglas Streit

CONSOLIDATED STATEMENT OF EARNINGS

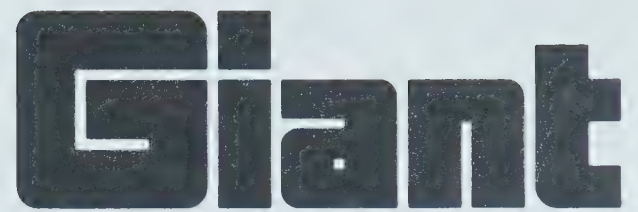
	First Quarter	
	1969	1968
OPERATING RECORD		
Tons milled	99,661	90,936
Average per day	1,107	999
Average mill heads per ton	0.645	0.667
Gold recovered, ounces	56,982	53,779
Silver recovered, ounces	7,222	5,387
STATEMENT OF INCOME		
Metal production (less marketing charges)	\$2,639,943	\$2,047,801
Operating expenses	1,708,289	1,478,056
	<u>931,654</u>	<u>569,745</u>
Amortization and depreciation	114,570	87,506
Outside exploration	27,017	66,446
	<u>141,587</u>	<u>153,952</u>
	790,067	415,793
Non-operating revenue	81,578	83,012
	<u>871,645</u>	<u>498,805</u>
Income taxes (estimated)	277,000	139,000
	<u>594,645</u>	<u>359,805</u>
Add minority interest in losses of subsidiary companies	14,153	55,314
Estimated net income	<u>\$ 608,798</u>	<u>\$ 415,119</u>
Net income per share	\$.14	\$.10

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

	First Quarter	
	1969	1968
SOURCE OF FUNDS		
From operations		
Estimated net income for period	\$ 608,798	\$ 415,119
Depreciation and amortization	114,570	87,506
Minority interest in losses of subsidiary companies	(14,153)	(55,314)
Special refundable tax	14,726	—
	<u>723,941</u>	<u>447,311</u>
APPLICATION OF FUNDS		
Dividends paid	430,292	430,292
Additions to fixed assets (net)	82,598	59,397
Increase in other assets	283,260	99,119
	<u>796,150</u>	<u>588,808</u>
Decrease in working capital	72,209	141,497
Working capital beginning of period	6,431,833	6,059,018
Working capital at end of period	<u>\$6,359,624</u>	<u>\$5,917,521</u>

(Subject to audit)

AR36



YELLOWKNIFE MINES LIMITED

P.O. BOX 40, COMMERCE COURT WEST
TORONTO, ONTARIO
M5L 1B4



Remarks by

Mr. D. J. EMERY
PRESIDENT

to

35th Annual Meeting of Shareholders
Library

Royal York Hotel, Toronto

April 12, 1978

Including

Interim Financial Statements
for three months ended March 31, 1978

Ladies and Gentlemen:

On behalf of the directors and officers, I would like to welcome you to the 35th Annual Meeting of your Company and also to express my appreciation for the interest shown by the shareholders present today and those who have mailed in their proxies.

After a difficult 1976 during which a loss of \$186,000 was incurred, it is my pleasure to report that earnings for the year ended December 31, 1977 were \$2,451,000 or 57¢ per share. With improved earnings, your directors approved an interim dividend payment of 15¢ in December 1977 and another interim dividend of 10¢ payable March 31, 1978. After dividend disbursements, fixed asset additions and other minor adjustments, working capital increased \$2,311,000 to \$8,838,000 at the end of the year.

Free world industrial demand for refined gold in 1977 was approximately equal to the 1976 level despite significantly higher prices. This was due to a firm market for gold jewelry and strong demand for gold from Middle East and Far East countries. Investor demand was higher in 1977 than it was in 1976 and remains as the critical variable in any analysis of the gold market. If 1978 investor demand continues at 1977 levels, gold prices will remain firm through 1978.

The improved earnings picture is largely attributable to the higher average price received for gold which climbed from \$122 Canadian in 1976 to \$164 in 1977. A record tonnage throughout and continuation of efforts to hold down costs also contributed significantly to the better performance.

Consolidated operating costs increased only 2% or 48¢ per ton to \$28.94 per ton despite a 32% increase in power rates commencing April 1, 1977. Costs were held in check in large part by a heavy draw-down of open pit reserves necessitated by shortages of underground crews. In 1978 the percentage of open pit ore is expected to drop from 41% in 1977 to less than 30%. This will have an adverse effect on costs, which will be offset to some degree by improved bullion output resulting from increased mining of higher grade underground reserves and an expected higher average price for gold in 1978.

After mining 446,000 tons in 1977, ore reserves at year end were 1,004,000 tons at a grade of 0.34 ounces of gold per ton, a decrease of 501,000 tons from the prior year end. Although the increased gold price enabled some additions to reserves, these were offset by losses due to lack of continuity in some stoping blocks or reinterpretations of ore contours in other blocks. Only 74,000 new tons were outlined by diamond drilling.

An aggressive exploration program was carried out for ore at depth and at the north end of the property where the potential remains favourable. Underground work is being done from the 2000 foot level and also from the 1500 foot level in the central part of the mine where ore values over narrow widths have been encountered in a structure that extends below present working levels. Follow-up drilling from the 2000 level will be required to determine whether this structure persists to depth.

On surface, exploratory work was continued on the Supercrest and Northbelt properties. At Supercrest, a drill program was conducted to follow up on old surface holes that encountered what are now "ore grades" over narrow widths. It is still too early to determine the ore potential for this area. On the Northbelt property, considerable geological and geophysical work was done. An extensive schist zone was mapped in the north part of the property. Airborne geophysics and ground follow-up identified several anomalous zones. Twenty claims were staked adjoining Northbelt to protect the anomalies discovered. Follow-up drilling is being planned for 1978.

Ten miles south of the mine area, work continued on a 72 claim group which Giant has optioned. An airborne geophysical survey was conducted and three holes were drilled early in 1978 with negative results. The option will likely be dropped.

Expenditures on exploration outside the mine area in 1977 were sharply reduced to \$136,000 from the \$208,000 in 1976. The Arcadia gold property on the Coronation Gulf, 300 miles north of Yellowknife, was investigated by geophysical surveys. Results were negative and the property has been dropped. In Quebec, a geophysical survey done of the

Clermont property identified an anomalous area west of the previous drilling that will require further work. Three holes were drilled on the nearby Chazel property to test anomalies from earlier geophysical surveys. No inter-sections were made and further work is not anticipated.

Geological, geochemical and geophysical work was conducted for base metals at the Vangorda property in the Yukon, the Yumack property in the MacMillan Pass area of the Yukon and in the Mackenzie Mountains of the N.W.T. Follow-up work is being planned for the Vangorda and Yumack projects where anomalies were detected.

Referring to the mine again, operations are still being adversely affected by shortages of skilled miners despite a training program that has been in effect for the last two years. Turn-over, while still high, has dropped significantly from 1976.

The Corporation enjoyed harmonious industrial relations. Management and Union have worked well together in matters of safety and health. In 1977 these efforts resulted in a significant reduction in accident frequency and the Mine was the recipient of a Safety Award for the metal mine with the lowest accident rate in the Prairie Provinces and the Northwest Territories.

Significant improvements were made in environmental control, particularly in baghouse efficiency and tailings impoundment. A pilot plant study, jointly carried out by Environment Canada and Giant Yellowknife to investigate techniques for improving quality of effluent, was completed. Results of the study are presently being assessed to determine whether the technology developed is economically practical.

In January 1977, an independent and impartial Task Force of the Canadian Public Health Association was established by the Hon. Marc Lalonde, Minister of Health and Welfare, to study the arsenic problem in Yellowknife. The Task Force released its final report in January 1978 and found that there has been no immediate health effect on the general population of Yellowknife. Most of the recommendations were directed to reducing potential exposure to arsenic in the work place. Your

Corporation is continuing to afford full co-operation to governmental authorities to achieve further improvements in environmental control. Recommendations made by the Task Force concerning safe practices are being implemented.

Preliminary figures for the first quarter of 1978 indicate net earnings of \$686,000 or 16.0¢ per share as compared with the \$684,000 or 16.0¢ per share in the first quarter of 1977. Bullion output in the first quarter of 1978 has fallen 4,000 ounces below that of the first quarter in 1977 due to a shortfall in both pit and underground production. The pit work is behind schedule because of having to strip more overburden than was anticipated. Underground production is behind because of a shortage of skilled miners. It is expected that some of the shortfall will be made up during the remainder of the year.

On behalf of the Directors, I wish to take this opportunity to express our appreciation to all employees for their strong performance under the capable management of Mr. W. A. Moore, General Manager. We also wish to thank Mr. J. R. Smith, who retired from the Presidency of the Corporation on September 1, 1977, for his contribution to the success of the organization over the last few years.

Other business of the meeting included the election of the Board of Directors as follows:

Messrs.

A. J. Anderson
C. R. Archibald, Q.C.
A. C. Callow
D. J. Emery
E. L. Healy
W.F. James
G. P. Mitchell
P. L. Munro
J. D. Streit

GIANT YELLOWKNIFE MINES LIMITED

CONSOLIDATED STATEMENT OF EARNINGS FOR THE THREE MONTHS ENDED MARCH 31, 1978

	First Quarter	
	1978	1977
OPERATING RECORD		
Ore milled, tons	97,867	112,426
Average per day, tons	1,087	1,249
Average mill heads per ton, ounces	0.266	0.274
Gold recovered, ounces	23,270	27,283
Silver recovered, ounces	6,226	5,214
STATEMENT OF EARNINGS (000 omitted)		
Revenue from metal production (less marketing charges)	\$ 4,883	\$ 4,060
Operating and administrative expenses	3,651	3,008
	1,232	1,052
Depreciation and amortization	219	175
Exploration expenses	73	45
	292	220
	940	832
Non-operating revenue	128	91
	1,068	923
Income taxes	331	196
	737	727
Minority interest in earnings of subsidiary companies	52	43
Earnings for the period	\$ 685	\$ 684
Earnings per share	\$.159	\$.159
Average price per ounce of gold produced	\$ 209.83	\$ 149.46

Note: Metal production at March 31, 1978 includes 17,000 ounces of gold valued at \$188.28 (Canadian funds) per ounce which had not been sold.

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION FOR THE THREE MONTHS ENDED MARCH 31, 1978 (000 Omitted)

	First Quarter	
	1978	1977
Source of working capital:		
From operations		
Earnings for the period	\$ 685	\$ 684
Depreciation and amortization	219	175
Minority interest in earnings of subsidiary companies	52	43
	956	902
Application of working capital:		
Dividends paid	430	
Additions to fixed assets (net)	97	45
Increase (decrease) in other assets	(27)	24
	500	69
Increase (decrease) in working capital during the period	456	833
Working capital, beginning of period	8,838	6,527
Working capital, end of period	\$ 9,294	\$ 7,360

(Unaudited)

AR36



P.O. BOX 40
COMMERCE COURT WEST
TORONTO, ONTARIO M5L 1B4

INTERIM REPORT

6

months

Ended June 30, 1980

CONSOLIDATED STATEMENT OF EARNINGS

For the Six Months Ended June 30, 1980

(Unaudited)

	1980		1979	
	Three Months Ended		First Six	First Six
	March 31	June 30	Months	Months
OPERATING RECORD				
Ore milled, tons	101,161	77,434	178,595	214,308
Average per day, tons	1,112	851	981	1,184
Average millheads per ton, ounces	0.207	0.209	0.206	0.216
Gold recovered, ounces	18,156	13,519	31,675	40,783
Silver recovered, ounces	2,718	2,298	5,016	8,127
STATEMENT OF EARNINGS (000's omitted)				
Revenue from metal production (less marketing charges) (see notes 2 and 3)	\$ 13,155	\$ 9,481	\$ 22,636	\$ 12,772
Operating and administrative expenses	5,395	4,584	9,979	8,930
	7,760	4,897	12,657	3,842
Depreciation and amortization	191	211	402	374
Exploration expenses	101	176	277	383
	292	387	679	757
	7,468	4,510	11,978	3,085
Non-operating revenue	246	488	734	407
	7,714	4,998	12,712	3,492
Income and mining taxes	2,970	1,791	4,761	1,037
	4,744	3,207	7,951	2,455
Minority interest in earnings of subsidiary companies	74	8	82	153
Earnings for the period	\$ 4,670	\$ 3,199	\$ 7,869	\$ 2,302
Earnings per share	\$ 1.09	\$.74	\$ 1.83	\$.54

Notes: 1. The figures reported are subject to year-end audit.

2. Includes outstanding gold settlements of:

- Ounces
- Valuation per ounce of gold produced

3. Includes a favourable adjustment on final settlement of prior year's bullion of

4. U.S. \$1 = Canadian \$

16,519 20,455
\$ 652.50 \$ 315.00

\$1,968,000 \$471,000

\$ 1.16 \$ 1.16

1979
\$ 1.7-million \$ 7.3-
on 40¢



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(000's omitted)

	As at June 30, 1980	Increase (decrease) from December 31, 1979
CURRENT ASSETS —		
Cash and temporary investments	\$ 8,899	\$ 4,532
Marketable securities at cost which approximates market value	5,020	1,500
Bullion (see note 2)	11,054	1,002
Accounts and accrued interest receivable	244	(23)
Supplies	1,657	(121)
Prepaid expenses and deposits	327	294
	<u>27,201</u>	<u>7,184</u>
CURRENT LIABILITIES —		
Accounts payable and accrued liabilities	1,880	37
Income and mining taxes payable	4,117	1,764
Dividends payable	136	80
	<u>6,133</u>	<u>1,881</u>
Working capital	21,068	5,303
Property, plant and equipment (net) —		
Buildings, machinery and equipment	2,595	399
Mining claims and properties	542	—
Other assets	245	98
Total assets less current liabilities	24,450	5,800
Deduct		
Minority interest	753	82
Shareholders' equity	<u>\$ 23,697</u>	<u>\$ 5,718</u>

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

(000's omitted)

	For the Six Months Ended June 30	
	1980	1979
SOURCE OF WORKING CAPITAL —		
Earnings for the period	\$ 7,869	\$ 2,302
Depreciation and amortization	360	374
Minority interest in earnings of subsidiary companies	82	133
	<u>8,311</u>	<u>2,809</u>
APPLICATION OF WORKING CAPITAL —		
Expenditures on plant and equipment (net)	759	559
Dividend payments	2,151	1,291
Increase in other assets	98	5
	<u>3,008</u>	<u>1,855</u>
Increase in working capital	5,303	954
Working capital, beginning of period	15,765	10,754
Working capital, end of period	<u>\$ 21,068</u>	<u>\$ 11,708</u>

(Unaudited)

Giant Yellowknife Mines Limited

Consolidated earnings for the first six months of 1980 were \$7,869,000 or \$1.83 per share compared with \$2,302,000 or 54¢ per share for the same period in 1979. The improvement in reported earnings reflects the higher settlement prices received for gold, as actual bullion production for the six month period fell from 40,783 ounces in 1979 to 31,675 ounces in 1980. The decrease in bullion production is due to a much lower tonnage milled, which was attributable to a work slow-down underground and the two week illegal work stoppage in April. The open pits produced approximately 50% of the mill feed during the second quarter of 1980.

Exploration activity within the vicinity of the present mine workings continued with the main areas of emphasis being the UBC and main production zones. Early drilling in the UBC zone indicated up to 30,000 tons of 0.60 oz., but attempts to extend the zone were disappointing.

On July 10, 1980 the Company's hourly rated employees went on strike and all production at the mine ceased. The Company had offered 30.9% over two years in wages and benefits, as recommended by the government appointed Conciliation Commissioner. At the time of the strike the Union representing the employees had reduced its wage demand to a 24% increase over one year with a wage re-opener in the second year of a two year contract, plus several monetary items including profit sharing.

At this time there is no indication of the possible duration of the strike.

D. J. Emery
President and
Managing Director

Toronto, Ontario
July 18, 1980

To the Shareholders:

Consolidated net income for the first six months of the current year was \$1,278,000 or 30 cents per share compared with \$1,132,000 or 26 cents per share in the same period of 1968.

Improved earnings reflect the higher price of gold on the free market which, in recent months, has stabilized considerably. Your Company continues to sell its gold selectively while keeping a close watch on market developments. Lolor Mines gold output has been sold on the free market since April 1, 1969.

There has been some improvement in the labour supply but a high turnover in the miner category continues to be a problem. Despite labour shortages, development activity has been maintained well above forecast and production is above target figures.

The kiln plant was reactivated and went into operation on May 30. This plant is treating stockpiled calcine during the summer months.

Outside exploration activity has been greater than expected and the annual expenditure will probably be greater than anticipated.

There will be a 3 percent increase in wage rates on October 1, 1969 in accordance with the terms of our Collective Agreement.

D. R. DELAPORTE,
President.

Toronto, Ontario,
July 29, 1969.

**GIANT
YELLOWKNIFE MINES
LIMITED**

INTERIM REPORT

6
months

Ended June 30, 1969



HONEY PRINTING SERVICE LIMITED
TORONTO

GIANT YELLOWKNIFE MINES LIMITED

CONSOLIDATED STATEMENT OF EARNINGS

	Second Quarter		First Six Months	
	1969	1968	1969	1968
OPERATING RECORD				
Tons milled	100,910	94,205	200,571	185,141
Average per day	1,109	1,035	1,108	1,017
Average mill heads per ton	0.6568	0.6844	0.6509	0.6756
Gold recovered, ounces	60,517	57,470	117,499	111,249
Silver recovered, ounces	8,388	6,825	15,610	12,212
STATEMENT OF INCOME				
Metal production (less marketing charges)	\$2,786,000	\$2,627,000	\$5,426,000	\$4,675,000
Operating expenses	1,733,000	1,494,000	3,441,000	2,972,000
	1,053,000	1,133,000	1,985,000	1,703,000
Amortization and depreciation	113,000	92,000	228,000	179,000
Outside exploration	134,000	81,000	161,000	148,000
	247,000	173,000	389,000	327,000
	806,000	960,000	1,596,000	1,376,000
Non-operating revenue	120,000	63,000	202,000	146,000
	926,000	1,023,000	1,798,000	1,522,000
Income taxes	234,000	296,000	511,000	435,000
	692,000	727,000	1,287,000	1,087,000
Deduct minority interest in profits (losses) of subsidiary companies	23,000	10,000	9,000	(45,000)
Estimated net income	\$ 669,000	\$ 717,000	\$1,278,000	\$1,132,000
Net income per share	\$.16	\$.16	\$.30	\$.26

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

	First Six Months	
	1969	1968
SOURCE OF FUNDS		
From operations		
Estimated net income for period	\$1,278,000	\$1,132,000
Depreciation and amortization	228,000	179,000
Minority interest in profits (losses) of subsidiary companies	9,000	(45,000)
Special refundable tax	15,000	—
	1,530,000	1,266,000
APPLICATION OF FUNDS		
Dividends paid	861,000	861,000
Additions to fixed assets (net)	181,000	163,000
Increase in other assets	175,000	54,000
	1,217,000	1,078,000
Increase (decrease) in working capital	313,000	188,000
Working capital December 31	6,431,000	6,059,000
Working capital June 30	\$6,744,000	\$6,247,000

(The above figures are subject to audit)

To the Shareholders:

Consolidated net income for the first six months of the current year was \$631,000 or 15 cents per share compared to earnings for the same period last year of \$1,278,000 or 30 cents per share. You will note the earnings include an estimate of Emergency Gold Mine Assistance of \$445,000.

The decrease in earnings was aggravated by the unpegging of the Canadian dollar.

Operating costs continued to increase while exploration expenditures were lower than in 1969.

Dividends of 20 cents per share or \$861,000 were paid during the first half of 1970. It must be noted that this amount was not covered by earnings.

At this date we have no information as to whether the Federal Government intends to extend the Emergency Gold Mine Assistance Act which is due to expire on December 31, 1970.

D. R. De LAPORTE,
President and Managing Director.

Toronto, Ontario,
July 24, 1970.

INTERIM REPORT

6
months

Ended June 30, 1970

GIANT YELLOWKNIFE MINES LIMITED

CONSOLIDATED STATEMENT OF EARNINGS

	Second Quarter		First Six Months	
	1970	1969	1970	1969
OPERATING RECORD				
Tons milled	104,565	100,910	212,624	200,571
Average per day	1,149	1,109	1,175	1,108
Average mill heads per ton	0.619	0.657	0.603	0.651
Gold recovered, ounces	57,868	60,517	113,883	117,499
Silver recovered, ounces	12,080	8,388	20,846	15,610
STATEMENT OF INCOME				
Metal production (less marketing charges)	\$2,136,000 ✓	\$2,714,000 ✓	\$4,229,000 ✓	\$5,287,000 ✓
Estimated assistance under the E.G.M.A. Act ..	223,000	72,000	445,000	139,000
	2,359,000	2,786,000	4,674,000	5,426,000
Operating expenses	1,889,000	1,733,000	3,682,000	3,441,000
	470,000	1,053,000	992,000	1,985,000
Amortization and depreciation	119,000	113,000	238,000	228,000
Outside exploration	78,000	134,000	103,000	161,000
	197,000	247,000	341,000	389,000
	273,000	806,000	651,000	1,596,000
Non-operating revenue	101,000	120,000	183,000	202,000
	374,000	926,000	834,000	1,798,000
Income taxes (estimated)	67,000	234,000	179,000	511,000
	307,000	692,000	655,000	1,287,000
Deduct minority interest in net income of subsidiary companies	12,000	23,000	24,000	9,000
Estimated net income	\$ 295,000 ✓	\$ 669,000 ✓	\$ 631,000 ✓	\$1,278,000 ✓
Net income per share	\$ (.07)	\$ (.16)	\$ (.15)	\$ (.30)

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

	First Six Months	
	1970	1969
SOURCE OF FUNDS		
From operations		
Estimated net income for period	\$ 631,000	\$1,278,000
Depreciation and amortization	238,000	228,000
Minority interest in profits (losses) of subsidiary companies	24,000	9,000
Special refundable tax	5,000	15,000
	898,000	1,530,000
APPLICATION OF FUNDS		
Dividends paid	861,000	861,000
Additions to fixed assets (net)	73,000	181,000
Increase in other assets	119,000	175,000
	1,053,000	1,217,000
Increase (decrease) in working capital	(155,000)	313,000
Working capital December 31	6,418,000	6,431,000
Working capital June 30	\$6,263,000	\$6,744,000

(The above figures are subject to audit)

AR36

Other business of the meeting included the election of the Board of Directors as follows:

Messrs.

A. J. Anderson
C. R. Archibald, Q.C.
A. C. Callow
D. J. Emery
E. L. Healy
W. F. James
G. P. Mitchell
J. R. Smith
J. D. Streit

SLP

GIANT
YELLOWKNIFE MINES
LIMITED

P.O. BOX 40, COMMERCE COURT WEST
TORONTO, ONTARIO
M5L 1B4



Remarks by
Mr. J. R. SMITH
PRESIDENT

to

33rd Annual Meeting of Shareholders
Elizabeth Room
King Edward Hotel, Toronto
April 7, 1976

Interim Financial Statements
for three months ended March 31, 1976

GIANT YELLOWKNIFE MINES LIMITED

CONSOLIDATED STATEMENT OF EARNINGS FOR THE THREE MONTHS ENDED MARCH 31, 1976

OPERATING RECORD

Ore milled, tons	104,802
Average per day, tons	1,151
Average mill heads per ton, ounces	0.286
Gold recovered, ounces	26,609
Silver recovered, ounces	5,427

STATEMENT OF EARNINGS (000 omitted)

Revenue from metal production (less marketing charges)

Operating and administrative expenses

Depreciation and amortization

Exploration expenses

Non-operating revenue

Income taxes

Minority interest in earnings of subsidiary companies

Earnings for the period

Earnings per share

Average price per ounce of gold produced

Note: Metal production at March 31, 1976 includes 16,248 ounces of gold valued at \$130.00 per ounce which has not been sold.

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION FOR THE THREE MONTHS ENDED MARCH 31, 1976 (000 Omitted)

Source of working capital:

From operations

Earnings for the period

Depreciation and amortization

Minority interest in earnings of subsidiary companies

Application of working capital:

Dividends paid

Additions to fixed assets (net)

Increase (decrease) in other assets

* Increase (decrease) in working capital during the period

Working capital, beginning of period

Working capital, end of period

(Unaudited)

First Quarter	1976	1975
	104,802	83,329
	1,151	936
	0.286	0.304
	26,609	22,147
	5,427	4,684
	\$ 3,494	\$ 3,817
	3,293	3,194
	201	623
	192	186
	78	157
	270	343
	(69)	280
	137	179
	68	459
	71	171
	(3)	288
	(24)	105
	\$ 21	\$ 183
	\$.005	\$.041
	\$131.45	\$172.66

First Quarter	
1976	1975
\$ 21	\$ 183
192	186
(24)	105
189	474
430	430
262	2
(78)	1
614	433
(425)	41
7,803	10,408
\$ 7,378	\$10,449

Ladies and Gentlemen:

On behalf of the Directors and Officers, I extend a warm welcome to the Thirty-Third Annual Meeting of your Company. I appreciate the interest of the shareholders present today and thank those who have mailed in their proxies.

The year 1975 saw the price of gold continue to fluctuate, from a high of \$185.20 (at the beginning of the year) to a low of \$128.80, closing at \$140.25 an ounce at the end of the year. This, coupled with higher operating costs and a decrease in the production of gold to 98,437 ounces in 1975, compared with 101,514 ounces in 1974, had an adverse affect on your Company's earnings which declined to \$305,000 or 7 cents per share in 1975, as compared to \$2,779,000 or 65 cents per share in 1974.

Working capital decreased during 1975 to \$7,803,000 from \$10,308,000 at December 31, 1974. This was due to paying dividends in excess of earnings, additions to underground equipment, provisions for more living accommodation, additions to and replacement of existing plant facilities, tailings dam improvements and open pit development. Exploration expenditures were at an all time high of \$1,237,000 in 1975 compared to \$673,000 in 1974.

Since the beginning of operations large sums of money have been spent to ensure proper control of arsenic emission. This control program has received continuous attention and improvements are continually being made. Research in this area is being expanded still further.

On February 13, 1976, the Company and Local 803, U.S.W.A. signed a memorandum of agreement with respect to an increase in wages of 12.5%. An application has been made to the Anti-Inflation Board asking for permission to grant the additional 4.5% above the 8% permitted under the regulations.

The first quarter results for 1976 are, unfortunately, not yet available but these figures will be issued with the Quarterly Report as soon as they are available.

On behalf of the Directors, I would like to express sincere appreciation to management and employees for their fine effort in 1975.

* * *

AR36

The attached statements show that Giant Yellowknife has sustained a loss of \$633,000 for the six months ended June 30, 1976 compared with a profit of \$242,000 for the same period last year. Although both tonnage milled and ounces gold produced increased over last year's level, the lower prices received for gold have adversely affected earnings. The average price of gold for the six months at \$120.70 is less by \$50.03 from \$170.73 received during the first six months of 1975. Gold inventory has been valued at \$110.00 per ounce.

Every effort is being made to counteract the deteriorating price of gold. Operating costs are being reduced in all areas and outside exploration expenditures have been cut back. The full effect of these cost reductions will not be fully realized until the next quarter. Further contingency plans are being programmed and price developments are being closely monitored.

Labour negotiations are currently in progress in an effort to reach an agreement before the termination of the current contract which expires September 30, 1976.

It is sincerely hoped that the Federal Government can see what is happening to the Canadian Gold Mining Industry and will take action against the continuation of IMF gold sales which have disrupted the gold markets. If the government continues to support the IMF actions, without instituting aid to the Canadian gold mines, the industry will be in a very serious position.

J. R. SMITH
President & Managing Director

Toronto, Ontario
August 11, 1976

GIANT
YELLOWKNIFE MINES
LIMITED

P.O. BOX 40
COMMERCE COURT WEST
TORONTO, ONTARIO M5L 1B4

INTERIM REPORT

6

months

Ended June 30, 1976

fib

GIANT YELLOWKNIFE MINES LIMITED

CONSOLIDATED STATEMENT OF OPERATIONS

For the Six Months Ended June 30, 1976

	1976		1975
	Three Months Ended March 31	June 30	First Six Months
OPERATING RECORD			
Ore milled, tons	104,802	104,945	209,747
Average per day, tons	1,151	1,152	1,152
Average millheads per ton	0.286	0.293	0.290
Gold recovered, ounces	26,609	27,469	54,078
Silver recovered, ounces	5,427	7,039	12,466
STATEMENT OF OPERATIONS (000 omitted)			
Revenue from metal production (less marketing charges)	\$ 3,494	\$ 3,015	\$ 6,509
Operating and administrative expenses	3,293	3,423	6,716
	201	(408)	(207)
Depreciation and amortization	192	192	384
Exploration expenses	78	207	285
	270	399	669
	(69)	(807)	(876)
Non-operating revenue	137	86	223
	68	(721)	(653)
Income taxes	71	(71)	
	(3)	(650)	(653)
Minority interest in earnings of subsidiary companies	(24)	4	(20)
Earnings (loss) for the period	\$ 21	\$ (654)	\$ (633)
Earnings (loss) per share	\$.005	\$ (.152)	\$ (.147)
Average price per ounce of gold produced	\$131.45	\$110.27	\$120.70

Note: Metal production at June 30, 1976 includes 19,467 ounces of gold valued at \$110.00 per ounce which had not been sold.

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

For the Six Months Ended June 30, 1976

(000 omitted)

	1976		1975
	Three Months Ended March 31	June 30	First Six Months
Working Capital was applied to:			
Operations			
Loss (earnings) for the period	\$ (21)	\$ 654	\$ 633
Depreciation and amortization	(192)	(192)	(384)
Minority interest in earnings of subsidiary companies	24	(4)	20
	(189)	458	269
Dividend payments	430		430
Purchases of fixed assets (net)	262	258	520
Increase (decrease) other assets	(78)	(84)	(162)
Dividend payments to minority shareholders of subsidiary companies			332
Decrease in working capital during the period	425	632	1,057
Working capital, beginning of period	7,803	7,378	7,803
Working capital, end of period	\$ 7,378	\$ 6,746	\$ 6,746

(unaudited)

AR36

**GIANT
YELLOWKNIFE MINES
LIMITED**

P.O. BOX 40
COMMERCE COURT WEST
TORONTO, ONTARIO M5L 1B4

INTERIM REPORT

6
months

Ended June 30, 1977

GIANT YELLOWKNIFE MINES LIMITED

CONSOLIDATED STATEMENT OF OPERATIONS

For the Six Months Ended June 30, 1977

	1977		1976	
	Three Months Ended March 31	June 30	First Six Months	First Six Months
OPERATING RECORD				
Ore milled, tons	112,426	108,071	220,497	209,747
Average per day, tons	1,249	1,188	1,218	1,152
Average millheads per ton	0.274	0.261	0.268	0.290
Gold recovered, ounces	27,283	24,623	51,906	54,078
Silver recovered, ounces	5,214	6,383	11,597	12,466
STATEMENT OF OPERATIONS (000 omitted)				
Revenue from metal production (less marketing charges)	\$ 4,060	\$ 3,805	\$ 7,865	\$ 6,509
Operating and administrative expenses	3,008	3,210	6,218	6,716
	1,052	595	1,647	(207)
Depreciation and amortization	175	171	346	384
Exploration expenses	45	66	111	285
	220	237	457	669
	832	358	1,190	(876)
Non-operating revenue	91	122	213	223
	923	480	1,403	(653)
Income taxes	196	80	276	
	727	400	1,127	(653)
Minority interest in earnings of subsidiary companies	43	78	121	(20)
Earnings (loss) for the period	\$ 684	\$ 322	\$ 1,006	\$ (633)
Earnings (loss) per share	\$.159	\$.075	\$.234	\$ (.147)
Average price per ounce of gold produced	\$149.46	\$149.65	\$149.55	\$120.70

Note: Metal production at June 30, 1977 includes 12,241 ounces of gold valued at \$140.00 per ounce which had not been sold.

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

For the Six Months Ended June 30, 1977

(000 omitted)

	1977		1976	
	Three Months Ended March 31	June 30	First Six Months	First Six Months
Source of working capital:				
Operations				
Earnings (loss) for the period	\$ 684	\$ 322	\$ 1,006	\$ (633)
Depreciation and amortization	175	171	346	384
Minority interest in earnings of subsidiary companies	43	78	121	(20)
	902	571	1,473	(269)
Working capital was applied to:				
Dividend payments	—	—	—	430
Purchases of fixed assets (net)	45	106	151	520
Increase (decrease) other assets	24	37	61	(162)
	69	143	212	788
Increase (decrease) in working capital during the period	833	428	1,261	(1,057)
Working capital, beginning of period	6,527	7,360	6,527	7,803
Working capital, end of period	\$ 7,360	\$ 7,788	\$ 7,788	\$ 6,746

(unaudited)

further exploration will be carried out during 1977.

Exploration on outside properties was curtailed to only the more promising properties in 1976. No significant results were obtained. Further work is indicated in some of these areas and will be carried out in 1977. Exploration expenditures in the current year are budgeted at approximately the same level as 1976.

A new Collective Agreement between the Company and Local 4, Canadian Association of Smelter and Allied Workers, was signed on January 5, 1977. This agreement will run for 18 months from October 1, 1976.

Once again there has been publicity reflecting concern in some quarters on the possible hazards from effluents and emissions from the milling and roasting of arsenopyrite ore at the Giant plant. The Company is continuing its constant attention to this problem and will continue to collaborate with government authorities on further environmental control improvements.

I can assure you, ladies and gentlemen, that as a good corporate citizen, your Company has done everything in its power and will continue to do so, to protect the health of its employees and the people of Yellowknife.

On January 28, 1977, an independent task force was established by the Honourable Marc Lalonde, Minister of Health and Welfare, to study the arsenic problem at Yellowknife. To date hearings have been held at Yellowknife and in Ottawa.

I am sure that the task force, which is still conducting investigations in this matter, is competent to separate fact from fiction and make fair and constructive recommendations. Findings will be made public when available.

The exceptionally fine performance by the mine management and employees during 1976 contributed considerably to the Company's ability to continue operations through the period of depressed gold prices and is sincerely appreciated by the Directors.

Thank you again for your attendance at this meeting and for your interest in the affairs of your Company.

AR36

Other business of the meeting included the election of the Board of Directors as follows:

Messrs.

A. J. Anderson
C. R. Archibald, Q.C.
A. C. Callow
D. J. Emery
E. L. Healy
W. F. James
G. P. Mitchell
J. R. Smith
J. D. Streit

GIANT YELLOWKNIFE MINES LIMITED

P.O. BOX 40, COMMERCE COURT WEST
TORONTO, ONTARIO
M5L 1B4



Remarks by
Mr. J. R. SMITH
PRESIDENT

to

34th Annual Meeting of Shareholders
Elizabeth Room
King Edward Hotel, Toronto
April 7, 1977

Including

Interim Financial Statements
for three months ended March 31, 1977

GIANT YELLOWKNIFE MINES LIMITED

CONSOLIDATED STATEMENT OF EARNINGS FOR THE THREE MONTHS ENDED MARCH 31, 1977

OPERATING RECORD

Ore milled, tons	112,426
Average per day, tons	1,249
Average mill heads per ton, ounces	0.274
Gold recovered, ounces	27,283
Silver recovered, ounces	5,214

STATEMENT OF EARNINGS (000 omitted)

Revenue from metal production (less marketing charges)	\$ 4,060	\$ 3,494
Operating and administrative expenses	3,008	3,293
	1,052	201
Depreciation and amortization	175	192
Exploration expenses	45	78
	220	270
Non-operating revenue	832	(69)
	91	137
Income taxes	923	68
	196	71
Minority interest in earnings of subsidiary companies	727	(3)
	43	(24)
Earnings for the period	\$ 684	\$ 21
Earnings per share	\$.159	\$.005
Average price per ounce of gold produced	\$ 149.46	\$ 131.45

Note: Metal production at March 31, 1977 includes 14,460 ounces of gold valued at \$140.00 per ounce which had not been sold.

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION FOR THE THREE MONTHS ENDED MARCH 31, 1977 (000 Omitted)

Source of working capital:

From operations	
Earnings for the period	\$ 684
Depreciation and amortization	175
Minority interest in earnings of subsidiary companies	43
	902

Application of working capital:

Dividends paid	430
Additions to fixed assets (net)	262
Increase (decrease) in other assets	24
	69
Increase (decrease) in working capital during the period	833
Working capital, beginning of period	6,527
Working capital, end of period	\$ 7,360
	\$ 7,378
	(Unaudited)

Ladies and Gentlemen:

On behalf of the Directors and Officers I welcome you to the 34th Annual Meeting of your Company.

I appreciate the interest of shareholders present today and thank those who have mailed in their proxies.

The annual report was mailed to you several weeks ago and you will have noted that 1976 was a very difficult year for your Company. I am sure you have had an opportunity to study the report and I will therefore only review the events which had a significant effect on operations.

The most important factor during the year was, of course, the price of gold which continued its downward trend during the first nine months of the year, from \$140.25 per ounce on December 31, 1975, to a low of \$99.64 per ounce on September 1, 1976. The recovery in late September continued for the fourth quarter of 1976 and the gold price closed at \$135.89 per ounce on December 31, 1976.

The decline in the price of gold, especially during the second and third quarters of the year, had an adverse effect on earnings despite the significant cost reductions achieved at the Company's operations. The improved price in gold and continued cost reduction efforts resulted in a profit for the fourth quarter but was insufficient to reverse entirely the loss sustained by the Company in 1976 of \$186,000 or 4 cents per share, compared to a profit of \$305,000 or 7 cents per share in 1975.

The earnings for the first quarter of 1977 reflect the importance of the price of gold on operations at Giant. With the price of gold averaging \$149.46 per ounce for the first quarter, earnings were \$684,000 or 16 cents per share compared with \$21,000 or 1 cent per share earned at an average gold price of \$131.45 per ounce for the same period in 1976.

Working capital decreased during 1976 to \$6,527,000 from \$7,803,000 in 1975. Capital expenditures increased from \$775,000 to \$1,254,000 of which \$1,065,000 was necessary for open pit equipment.

Exploratory drilling at the Giant property revealed no significant new ore zones, but

Giant Yellowknife Mines Limited

Consolidated earnings for the first six months of 1978 were \$1,765,000 or 41.0¢ per share compared to \$1,006,000 or 23.4¢ per share for the corresponding period in 1977. The improved earnings are attributable to the marked increase in the average price received for gold from \$149.55 (Canadian) in the first six months of 1977 to \$207.91 in 1978.

Despite a drop in tonnage of 13.2%, bullion output is down only 3.1% for the period because of higher grades and improved recovery. The tonnage shortfall reflects pit production problems earlier in the year and less than anticipated mill throughput because of a week long shut-down in May to repair the roaster stack and 50% curtailment for a week in June to repair a classifier. Power outages have also contributed to the decline. The plant is now operating normally.

Overall expenditures are up from last year as a result of increased labour and supply costs, and increased production from higher-cost underground workings. The open pit has supplied only 21.0% of the mill-feed versus 43.2% for the same period last year.

Expenditures on diamond drilling, both surface and underground, have increased substantially in our efforts to add to ore reserves. Some encouragement has been received in the mine area but it is too early to determine just how significant some of the drill intersections are in terms of additional reserves. Expenditures on off-property exploration have also been increased.

A new 24-month collective agreement with the Union was signed on June 19, effective April 1978, providing for an overall increase of 7.7% in wages and benefits in the first year and 6.5% in the second.

D. J. EMERY,
President and Managing Director.

Toronto, Ontario
July 26, 1978.

AR36

**GIANT
YELLOWKNIFE MINES
LIMITED**

P.O. BOX 40
COMMERCE COURT WEST
TORONTO, ONTARIO M5L 1B4

INTERIM REPORT

6
months

Ended June 30, 1978

GIANT YELLOWKNIFE MINES LIMITED

CONSOLIDATED STATEMENT OF OPERATIONS

For the Six Months Ended June 30, 1978

	1978		1977	
	Three Months Ended March 31	June 30	First Six Months	First Six Months
OPERATING RECORD				
Ore milled, tons	97,867	93,515	191,382	220,497
Average per day, tons	1,087	1,028	1,057	1,218
Average millheads per ton	0.266	0.322	0.293	0.268
Gold recovered, ounces	23,270	27,003	50,273	51,906
Silver recovered, ounces	6,226	8,223	14,449	11,597
STATEMENT OF OPERATIONS (000 omitted)				
Revenue from metal production (less marketing charges)	\$ 4,883	\$ 5,563	\$10,446	\$ 7,865
Operating and administrative expenses	3,651	3,711	7,362	6,218
	1,232	1,852	3,084	1,647
Depreciation and amortization	219	211	430	346
Exploration expenses	73	201	274	111
	292	412	704	457
	940	1,440	2,380	1,190
Non-operating revenue	128	125	253	213
	1,068	1,565	2,633	1,403
Income taxes	331	451	782	276
	737	1,114	1,851	1,127
Minority interest in earnings of subsidiary companies	52	34	86	121
Earnings for the period	\$ 685	\$ 1,080	\$ 1,765	\$ 1,006
Earnings per share	\$.159	\$.251	\$.410	\$.234
Average price per ounce of gold produced	\$210.18	\$205.95	\$207.91	\$149.55

Note: Metal production at June 30, 1978 includes 16,560 ounces of gold valued at \$196.00 per ounce which had not been sold.

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

For the Six Months Ended June 30, 1978

(000 omitted)

	1978		1977	
	Three Months Ended March 31	June 30	First Six Months	First Six Months
Source of working capital:				
Operations				
Earnings for the period	\$ 685	\$ 1,080	\$ 1,765	\$ 1,006
Depreciation and amortization	219	211	430	346
Minority interest in earnings of subsidiary companies	52	34	86	121
	956	1,325	2,281	1,473
Working capital was applied to:				
Dividend payments	430	430	860	—
Purchases of fixed assets (net)	97	209	306	151
Increase (decrease) in other assets	(27)	(11)	(38)	61
	500	628	1,128	212
Increase in working capital during the period	456	697	1,153	1,261
Working capital, beginning of period	8,838	9,294	8,838	6,527
Working capital, end of period	\$ 9,294	\$ 9,991	\$ 9,991	\$ 7,788

(unaudited)

Giant Yellowknife Mines Limited

Consolidated earnings for the first half of 1979 were \$2,302,000 or 54¢ per share compared with \$1,765,000 or 41¢ per share for the same period in 1978. The improvement reflects the higher price received for gold as actual bullion output for the six-month period fell from 50,273 ounces in 1978 to 40,783 ounces because of treating lower grade ores. Operating costs were \$41.67 per ton versus \$38.46 per ton in the first half of 1978.

The decrease in bullion output is the result of obtaining lower grades from some of the underground stopes during the first quarter but also reflects mining to lower cuts than originally planned in response to higher gold price.

The higher gold price is enabling company geologists to add more low grade material to reserves and hence extend mine life. Earnings are expected to continue at the second quarter level for the balance of the year if gold price and current operating conditions do not change.

Underground depth exploration by diamond drilling is continuing, but to date nothing of significance has been encountered. A surface drilling program was started on Supercrest ground near the Akaitcho shaft to test for possible ore zones accessible from present mine workings. Of three holes completed by mid-year, one returned 1.41 ounce gold per ton across 3.0 feet and another 0.77 across 5.0 feet. Work is continuing in this area.

About one mile north of the Supercrest workings, surface drilling is scheduled to start in September to test for near surface ore in an area where previous drilling indicated ore values over narrow widths.

In March and April a drill program, totaling 7,463 feet in eleven holes, was completed on a Northbelt property in which your Company has a 67% interest. The best intersection obtained was 0.11 ounce gold per ton across 2.0 feet, but a down-dip hole did not encounter significant values.

A new mineral inventory has been completed for the Sudbury Basin lead-zinc property and shows that it might be possible to selectively mine higher grade portions of the deposits if the metallurgical treatment problems can be solved. Mineralogical investigations on old diamond drill core are now being done prior to making a decision on further metallurgical work.

D. J. Emery
President

Toronto, Ontario
July 12, 1979

AR36



YELLOWKNIFE MINES LIMITED

P.O. BOX 40
COMMERCE COURT WEST
TORONTO, ONTARIO M5L 1B4

INTERIM REPORT

6

months

Ended June 30, 1979

Giant

YELLOWKNIFE MINES LIMITED

CONSOLIDATED STATEMENT OF EARNINGS

For the Six Months Ended June 30, 1979
(Unaudited)

	1979		1978	
	Three Months Ended March 31	June 30	First Six Months	First Six Months
OPERATING RECORD				
Ore milled, tons	103,449	110,859	214,308	191,382
Average per day, tons	1,149	1,218	1,184	1,057
Average millheads per ton	0.206	0.226	0.216	0.293
Gold recovered, ounces	18,638	22,145	40,783	50,273
Silver recovered, ounces	2,809	5,318	8,127	14,449
STATEMENT OF EARNINGS (000's omitted)				
Revenue from metal production (less marketing charges)	\$ 5,503	\$ 7,269	\$ 12,772	\$ 10,446
Operating and administrative expenses	4,291	4,639	8,930	7,362
	1,212	2,630	3,842	3,084
Depreciation and amortization	190	184	374	430
Exploration expenses	211	172	383	274
	401	356	757	704
Investment income	811	2,274	3,085	2,380
	236	171	407	253
Income and mining taxes	1,047	2,445	3,492	2,633
	356	681	1,037	782
Minority interest in earnings of subsidiary companies	691	1,764	2,455	1,851
	93	60	153	86
Earnings for the period	\$ 598	\$ 1,704	\$ 2,302	\$ 1,765
Earnings per share	\$.14	\$.40	\$.54	\$.41
Average price per ounce of gold produced	\$ 296.00	\$ 328.00	\$ 314.00	\$ 208.00

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(000's omitted)

	As at June 30 1979	Increase (decrease) from December 31, 1978
Current assets —		
Cash and temporary investments	\$ 3,258	\$ (4,390)
Marketable securities at cost, which approximates market	2,520	1,012
Bullion (see note)	6,922	3,947
Accounts and accrued interest receivable	160	(15)
Supplies	1,180	(221)
Prepaid expenses and deposits	214	185
	14,254	518
Current liabilities —		
Accounts payable and accrued liabilities	\$1,460	\$ (138)
Income and mining taxes payable	579	(805)
Dividends payable	507	507
	2,546	(436)
Working capital	11,708	954
Property, plant and equipment (net) —		
Buildings, machinery and equipment	1,560	185
Mining claims and properties	542	—
Other assets	152	5
Total assets less current liabilities	13,962	1,144
Deduct:		
Minority interest	705	133
Shareholders' equity	\$ 13,257	\$ 1,011

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

(000's omitted)

	For the six months ended June 30	
	1979	1978
Source of working capital —		
Earnings for the period	\$ 2,302	\$ 1,765
Depreciation and amortization	374	430
Minority interest in earnings of subsidiary companies	133	86
	2,809	2,281
Application of working capital —		
Expenditures on plant and equipment (net)	559	306
Dividend payments	1,291	860
Increase (decrease) in other assets	5	(38)
	1,855	1,128
Increase in working capital	954	1,153
Working capital, beginning of period	10,754	8,838
Working capital, end of period	\$ 11,708	\$ 9,991
Note: (1) Revenue from metal production includes unsold gold.		
— Ounces	20,455	16,560
— Valuation / oz.	\$315.00	\$196.00
(2) Equivalent of one Canadian dollar in U.S. currency	\$0.86	\$0.89

Profit
\$1.1 - m
on 25
Rev
\$5.6 m

AR36



Remarks by
Mr. D. J. EMERY
PRESIDENT

to

Annual and General Meeting
of Shareholders

Hotel Toronto, Toronto

April 10, 1979

Including

Interim Financial Statements
for three months ended March 31, 1979

Ladies and Gentlemen:

On behalf of the Directors and Officers, I extend a welcome to the 36th Annual Meeting of your Corporation and also express my appreciation for the interest shown by shareholders present today and those who have mailed in their proxies.

With profound regret, your Directors report that Mr. A. C. Callow died in January of this year. He had been a Director since 1969 and had also served as Secretary of the Corporation for 32 years until his retirement in 1975. "Bert" Callow had a strong interest in the affairs of the Corporation and in our employees throughout his years as an officer of the Corporation and as a Director. He is missed by all of us in a particular way at this Annual Meeting of the Corporation.

As the Annual Report to shareholders was mailed out in March, I shall confine my remarks to highlights of the operations for 1978 and make some comment on production to date in 1979.

Despite lower production levels, both as to tons and ounces of gold recovered, net revenues of \$22,183,000 were at a record level because of a much improved gold price and favourable exchange rates on the Canadian dollar. Costs rose significantly in response to a higher proportion of underground production relative to open pits (73% versus 59% in 1977), increased diamond drilling development and exploration work, more plant and equipment maintenance, increased environmental work and large price hikes for power, oil and supplies, plus a new labour contract. Net income for the year was \$3.73 million versus \$2.45 million in 1977.

There was a dramatic increase in the gold price from a low of U.S.\$164 per ounce in early January 1978 to U.S.\$226 per ounce at year end. Throughout most of the year the increase was a reflection of the decline of the U.S. dollar on foreign exchange markets and the concern over ever-increasing inflationary pressures in the United States and other developed countries. These concerns reached a peak in late October when gold reached a high of U.S.\$243 per ounce. In order to defend their currency, the United States Government on November 1st increased U.S. Treasury gold sales. Prices reacted promptly and fell to a low of U.S.\$193 per ounce on November 30. Prices rebounded to U.S.\$226 by year end following political unrest in Iran.

During 1978 the U.S. Treasury sold approximately 4,000,000 ounces and, except for the sharp drop off when the announcement was made concerning increasing Treasury gold sales, the extra bullion available on the market does not seem to have had a lasting effect on prices. Projections for 1979 are difficult to make in light of the continued sales from the U.S. Treasury and the uncertainty of the American dollar. If the present high prices prevail, we can look for continued profitability of the operation and further opportunities to add low grade tonnages to the reserves.

Because of the improved earnings picture, your Directors approved dividend payments totalling 50¢ versus the 15¢ paid in 1977. A 15¢ dividend was also paid for the first quarter of the current year. After dividend disbursements, fixed asset additions and other minor adjustments, working capital increased \$1,915,000 to \$10,754,000 at the end of the year.

Tonnage treated in 1978 fell to 397,000 tons from the record of 446,000 tons in 1977. Bullion output also fell from 106,000 ounces to 95,000 ounces. Part of the shortfall represents the loss of one week in production for repairs to the roaster stack and another week at half production due to a classifier breakdown in the mill. Other mechanical problems in ore moving equipment, both underground and on surface, as well as power outages contributed to the problem. The drop in open pit per-

centage was a scheduled reduction to provide a more balanced utilization of reserves.

Operations in the treatment plant were satisfactory in 1978 with a recovery of 88.75% which was 1.02% above that of 1977. We are experiencing some problems in the roaster section which is contributing to a high cyanide consumption. Studies are under way to correct this situation.

Changes in baghouse operating procedures initiated in 1977 were continued and provided significant reductions in emissions from the stack. An analysis was completed of the pilot plant project undertaken by Environment Canada and Giant Yellowknife in 1977 to study methods of improving the quality of effluents from gold milling operations. The technology investigated does not seem to offer a solution for the Giant effluents and we currently have further investigations under way to develop better methods of treatment.

During 1978 the Water Board of the N.W.T. issued a licence which requires a reduction in water consumption over a two-year period. An attempt was made to use mine discharge water in the mill circuits but this had an adverse effect on gold recoveries and also increased our reagent consumption. The test has since been abandoned and we are now searching for other ways to reuse the water pumped out of the mine.

In the area of industrial health and hygiene, substantial progress was made. The few workers exposed to possible contamination from arsenic dust are now using new all-enclosing dust suits with filtered air supply. We have also increased monitoring of dust conditions in the roaster, cottrell and baghouse areas, and have made changes in operating procedures to reduce the frequency of mechanical maintenance required in these critical areas. A pressurized lunch room has also been provided. Steps taken by mine personnel resulted in a favourable report being received from government inspectors.

After mining 397,000 tons in 1978, ore reserves at year end were 1,216,000 tons at a grade of 0.27 ounce gold per ton compared with 1,004,000 tons at 0.34 ounce gold per ton at December 31, 1977. The significant increase in gold price has enabled additions of material that previously was thought to be of just too low a grade to ever become ore. Most of the new tonnage represents additions to existing stoping blocks with the exception of 100,000 tons of near surface ore close to C shaft that will be mined by open pit methods. Diamond drilling added a total 144,000 tons.

As mentioned in the Annual Report, the higher price is causing us to take a hard look at previously abandoned areas of the mine and is serving as a definite incentive to drill areas that, prior to the upsurge in gold price, were considered not worth investigating. This re-assessment of abandoned areas is an ongoing process and our geologists are confident that if the price of gold stays high there will be further additions of low grade possible.

With reference to the underground depth exploration, there were two long holes completed during 1978 from the 2000 foot level and these did not encounter ore values. Further drilling will be done from this level to complete depth coverage of the property. In the A shaft area, three long holes were drilled to depth from the 575 level. Two of these showed promise in that they cut sheared volcanic rocks with quartz veining over wide widths. A follow-up hole drilled early this year has been disappointing as it did not encounter the sheared rock. Despite this disappointment, further depth drilling is also anticipated in the area.

In the mine area 11 holes were drilled north of the mine property on the Lynx option for a total of 2,575 feet. This was done as part of the program on the adjacent Supercrest ground

where 22 holes were completed for a total of 9,853 feet. The drilling showed ore values over narrow widths. On the Lynx ground three separate areas were identified that will require follow-up. On the Supercrest ground, a mineralized zone extends over a strike length of about 500 feet and down to a depth of about 500 feet. The hole spacing is such that further drilling will be required to confirm grades and also continuity before any meaningful tonnages can be indicated or mining contemplated.

Drilling and geological work was also done on the Northbelt property to the north of Supercrest, where four holes were completed for a total of 2,174 feet. Schistose rocks were encountered and follow-up work is currently underway. To date this year, nine holes totalling 6,141 feet have been drilled. No significant schist zones have been encountered. An additional 1,300 feet are required to complete the current program.

The tempo of off-property exploration picked up with an expenditure of \$414,000 versus \$136,000 in 1977. At the Van-gorda lead/zinc property in the Yukon, four holes were drilled on geophysical anomalies with negative results. Further work on the Yumack Syndicate in the MacMillan Pass area of the Yukon was also done but no base metal sulphides were located. Geochemical work is being planned for 1979.

Your Corporation entered into a joint venture program with Falconbridge Nickel Mines Limited and United Keno Hill Mines Limited to explore for base metals in the southern part of Newfoundland. A comprehensive survey was undertaken with field work being done under the direction of Falconbridge staff. Further activity is planned in 1979, including drilling of selected targets.

Considerable effort was directed to three separate uranium searches. One program west of Yellowknife, along the edge of the Precambrian Shield, involved airborne geophysics and ground follow-up. Results were not encouraging, however additional work is being considered. A promising area was explored for uranium about 340 miles southeast of Yellowknife but nothing of significance was found. The third area examined was 350 miles north of Yellowknife in a setting similar to that in Saskatchewan where high grade uranium deposits have been discovered. Enough encouragement was obtained to warrant more work this summer.

A gold property held by Giant near Point Lake, some 200 miles north of Yellowknife, was worked in 1963 and 1964 and again in 1974. Two sub-parallel gold bearing zones were discovered in the earlier work, one 11 feet wide over a strike length of 800 feet and another 9.6 feet wide over a similar length. Assays were generally less than 0.20 ounce gold per ton. Geological work done in 1978 did not improve the property. Further assessment will be done in light of recent developments in the nearby Contwoyto Lake area where a gold property is currently being reactivated.

The optioned Salmita property, located 150 miles north of Yellowknife, will also be re-assessed in light of the higher gold price. Prior work on the property, including 1,000 feet of decline and limited diamond drilling, proved up 135,000 tons grading 0.632 ounce gold per ton. At the time of the work in 1975-76, value of the ore was insufficient to support production.

On another front, we made a start on a re-evaluation of the mineral reserves of the Sudbury Basin base metal property to determine whether any parts of the deposit are mineable with present day technology. Work done to date has shown it may be possible to selectively mine higher grade portions. Metallurgical tests will be required to determine whether these zones can be treated but at present none of them can be considered ore. A decision on whether to do the metallurgical tests will not be taken until completion of the mineral inventory study. Metal-

lurgical samples would probably be taken using large diameter drill holes as the workings are presently flooded.

Labour turnover was down to 106% in 1978 versus a 124% in 1977. There was a slight increase in the number of employees to 358. A new collective bargaining agreement, effective April 1, 1978 was signed by the Corporation and the Canadian Association of Smelter and Allied Workers, Local #4. Terms of the agreement provide the employees with an increase of 8.1% in wages and fringe benefits in the first year and 6.7% in the second year.

Financial results for the first quarter of 1979 are not yet available. Production was 103,500 tons at 0.206 ounce gold per ton versus 97,900 tons at 0.266 ounce gold per ton in the first quarter of 1978. The production drop is attributable in part to a two week shutdown of the open pits in February due to extreme cold weather. Grades have fallen because of lower than expected values in some of the larger underground long-hole stopes. The lower production and grades have been offset to a considerable extent by the higher gold price received this year (\$296 versus \$210 in 1978).

In concluding I wish to express the appreciation of the Directors to all employees and our General Manager, Mr. W. A. Moore, for their contribution to the success of the operations in 1978. I want to recognize especially the improvement in the roaster emissions and also the ore reserve position.

* * *

At the Annual and General Meeting of Shareholders held in Toronto on April 10th, By-law No. 30, relating to the remuneration of directors, was passed.

Other business of the meeting included the election of the Board of Directors, as follows:

A. J. Anderson
C. R. Archibald, Q.C.
D. J. Emery
E. L. Healy
W. F. James
J. D. Krane
G. P. Mitchell
P. L. Munro
J. D. Streit



CONSOLIDATED STATEMENT OF EARNINGS
FOR THE THREE MONTHS ENDED MARCH 31, 1979
 (Expressed in Canadian currency)

	First Quarter	
	1979	1978
OPERATING RECORD		
Ore milled, tons	103,449	97,867
Average per day, tons	1,149	1,087
Average mill heads per ton, ounces	0.206	0.266
Gold recovered, ounces	18,638	23,270
Silver recovered, ounces	2,809	6,226
STATEMENT OF EARNINGS (000 omitted)		
Revenue from metal production (less marketing charges)	\$ 5,503	\$ 4,883
Operating and administrative expenses	4,291	3,651
	<u>1,212</u>	<u>1,232</u>
Depreciation and amortization	190	219
Exploration expenses	211	73
	<u>401</u>	<u>292</u>
Non-operating revenue	811	940
	<u>236</u>	<u>128</u>
Income taxes	1,047	1,068
	<u>356</u>	<u>331</u>
Minority interest in earnings of subsidiary companies	691	737
	<u>93</u>	<u>52</u>
Earnings for the period	\$ 598	\$ 685
Earnings per share	\$.14	\$.16
Average price per ounce of gold produced	<u>\$ 296.00</u>	<u>\$ 210.00</u>
Note: (1) Revenue from metal production includes unsold gold.		
— Ounces	17,658	17,000
— Valuation/oz.	\$274.00	\$188.28
(2) Canadian/U.S. dollar exchange rate	0.86	0.88

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE THREE MONTHS ENDED MARCH 31, 1979
 (000 Omitted)

	First Quarter	
	1979	1978
Source of working capital:		
From operations		
Earnings for the period	\$ 598	\$ 685
Depreciation and amortization	190	219
Minority interest in earnings of subsidiary companies	93	52
	<u>881</u>	<u>956</u>
Application of working capital:		
Dividends paid	645	430
Purchases of fixed assets (net)	338	97
Increase (decrease) in other assets	5	(27)
	<u>988</u>	<u>500</u>
Increase (decrease) in working capital during the period	(107)	456
Working capital, beginning of period	10,754	8,838
Working capital, end of period	<u>\$ 10,647</u>	<u>\$ 9,294</u>
(Unaudited)		

AR36



YELLOWKNIFE MINES LIMITED

P.O. BOX 40, COMMERCE COURT WEST
TORONTO, ONTARIO
M5L 1B4



Remarks by
Mr. D. J. EMERY
PRESIDENT

to

Annual Meeting of Shareholders
Toronto Harbour Castle Hilton
April 16, 1980

Including

Interim Financial Statements
for three months ended March 31, 1980

CONSOLIDATED STATEMENT OF EARNINGS

For the Three Months Ended March 31, 1980

(Unaudited)

	For the three months ended March 31,	
	1980	1979
OPERATING RECORD		
Ore milled, tons.....	101,161	103,449
Average per day, tons.....	1,112	1,149
Average mill heads per ton, ounces.....	0.207	0.206
Gold recovered, ounces.....	18,156	18,638
Silver recovered, ounces.....	2,718	2,809
STATEMENT OF EARNINGS (000's omitted)		
Revenue from metal production (less marketing charges) (see notes 2 and 3).....	\$ 13,155	\$ 5,503
Operating and administrative expenses.....	5,395	4,291
	<u>7,760</u>	<u>1,212</u>
Depreciation and amortization.....	191	190
Exploration expenses.....	101	211
	<u>292</u>	<u>401</u>
	7,468	811
Non-operating revenue.....	246	236
	<u>7,714</u>	<u>1,047</u>
Income taxes.....	2,970	356
	<u>4,744</u>	<u>691</u>
Minority interest in earnings of subsidiary companies.....	74	93
Earnings for the period.....	<u>\$ 4,670</u>	<u>\$ 598</u>
Earnings per share	<u>\$ 1.09</u>	<u>\$ 0.14</u>

NOTES:

- The figures reported are subject to year-end audit.
- Includes outstanding gold settlements of:

– Ounces.....	14,936	17,658
– Valuation per ounce of gold produced.....	\$ 607.00	\$ 274.00
- Includes an adjustment on final settlement of prior year's bullion of
- U.S. \$1 = Canadian \$

	\$ 1,931	\$ 565
	\$ 1.19	\$ 1.16



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(000's omitted)

	As at March 31, 1980	Increase (decrease) from December 31, 1979
CURRENT ASSETS		
Cash and temporary investments	\$ 6,211	\$ 1,844
Marketable securities at cost, which approximates market	5,020	1,500
Bullion (see note 2)	11,343	1,291
Accounts and accrued interest receivable	180	(87)
Supplies	1,789	11
Prepaid expenses and deposits	77	44
	<u>24,620</u>	<u>4,603</u>
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	2,207	364
Income and mining taxes payable	3,173	820
Dividends payable	88	32
	<u>5,468</u>	<u>1,216</u>
Working capital	19,152	3,387
Property, plant and equipment (net) -		
Building, machinery and equipment	2,462	266
Mining claims and properties	542	—
Other assets	162	15
Total assets less current liabilities	22,318	3,668
Deduct:		
Minority interest	745	74
Shareholders' equity	<u>\$ 21,573</u>	<u>\$ 3,594</u>

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

(000's omitted)

	For the three months ended March 31,	
	1980	1979
SOURCE OF WORKING CAPITAL		
Earnings for the period	\$ 4,670	\$ 598
Depreciation and amortization	191	190
Minority interest in earnings of subsidiary companies	74	93
	<u>4,935</u>	<u>881</u>
APPLICATIONS OF WORKING CAPITAL		
Expenditures on plant and equipment (net)	457	338
Dividend payments	1,076	645
Increase (decrease) in other assets	15	5
	<u>1,548</u>	<u>988</u>
Increase in working capital	3,387	(107)
Working capital, beginning of period	15,765	10,754
Working capital, end of period	<u>\$19,152</u>	<u>\$ 10,647</u>

(Unaudited)

chlorination plant to treat all discharge from the tailings ponds is planned for 1980.

Further advances have been made in occupational health matters through purchases of better protective equipment, improvements in eating and changing facilities, monitoring of employee health and work on air filtering systems in the Cottrell and Baghouse buildings.

Research and pilot plant work were done to investigate the possibility of upgrading the arsenic trioxide produced by roasting for use in the wood preservative industry. A hot water leach process was investigated and found to be successful, but capital costs are high. Further research is now being carried out on a "fuming" method to determine whether this might be a less expensive technique for achieving a saleable product. We are presently concluding negotiations to sell the crude product prior to any decision on upgrading.

As a result of the higher gold price, ore reserves were increased from 1.2 million tons grading 0.27 ounce gold/ton at January 1, 1979 to approximately 2.1 million tons grading 0.21 ounce gold/ton at January 1, 1980. Most of this increase represents additions of low grade ore to existing mining blocks, or through reclassification of other blocks that previously were considered too low grade to be mineable. Only 137,000 tons of "new" ore were added by diamond drilling in the "A" Shaft area. If the gold price remains strong, it is anticipated that further additions of low grade will be possible. The higher price continues to serve as an incentive to re-examine all old diamond drill information and abandoned areas of the mine. The price is also serving as a spur for further surface and depth exploration.

The deep drilling program proceeded slowly in 1979 because of technical difficulties in maintaining straight holes and also because of equipment shortages. Only two holes were drilled during the year and one of these had to be abandoned before reaching the target area because of excessive deviation. The other encountered some shearing and quartz, but no gold values. Despite disappointments to date, exploration will be continued as there are no known geological reasons why ore should not continue to depth.

Surface exploration work was more rewarding in that drilling on Supercrest ground encountered what may be mineable tonnages near the Akaitcho shaft and a mile to the north of the shaft. Most holes cut ore or sub-ore values over narrow widths and it is now a matter of obtaining sufficient drill coverage to determine whether there is sufficient continuity to permit mining.

On Giant ground, surface drilling has given some encouragement about 1500 feet west of "B" Shaft where a narrow zone (the UBC structure) of relatively good grade has been encountered. One plan is to drive a 4000-5000 foot drift on 250 Level from "C" Shaft to further explore the area; another is to drive a decline from surface.

One of the major exploration efforts was for gold on the adjacent Northbelt and Lynx properties where \$257,000 was

spent in geological, geophysical and geochemical work, plus diamond drilling. The Northbelt work was disappointing as no significant values were obtained in 11 holes drilled. On the Lynx property, follow-up drilling from last year's work confirmed ore and sub-ore values over narrow widths in 16 holes completed there. An investigation is being made to determine whether there are mineable tonnages on both the Lynx and adjacent Supercrest property.

In outside exploration, four searches for gold were conducted in the Northwest Territories, two of which were on optioned properties between 200 and 400 kilometers north of the mine and two or "grass roots" programs within 100 kilometers of the mine. No encouragement was received on the optioned properties and follow-up on the other two projects is also unlikely.

Work continued on two base metal projects. Drilling on a joint venture property in Newfoundland returned base metal sulphides near some old showings. Follow-up work will soon be under way with additional drilling and geological investigations planned for the field season. Two holes were drilled on another joint venture property in northern Quebec where base metal sulphides were encountered in earlier drilling. No additional sulphides were found, however further work may be done.

A uranium search west of Yellowknife along the edge of the Precambrian Shield was abandoned as results from the prior year's work were inconclusive. A small uranium property was optioned near the highway, 93 kilometers northwest of Yellowknife. A radon survey was conducted and tested by diamond drilling, but nothing of significance was found.

Giant Yellowknife and United Keno Hill Mines Limited jointly formed a new company, "Arctic Precious Metals, Inc.", to explore for precious metals in the States of Nevada and Utah, in an area where there are known occurrences of gold and silver. Most of the work was related to ground selection and property acquisition. During 1980, four main properties will be investigated and further ground acquisition will be undertaken. Although no diamond drilling is presently planned, if suitable targets are identified, this could take place later in the year.

Work on the Sudbury Basin project continued. The mineral inventory started in 1978 was completed. It is now felt that there are higher grade portions of the deposits that may be treatable using present day metallurgical technology. A drill program of nine holes totalling 6,101 feet was completed between October and December to provide fresh core samples for preliminary metallurgical testing. Work done on these cores is providing some encouragement.

First quarter results for 1980 show a marked improvement over the same period in 1979. Earnings were \$4.7 million or \$1.09 per share, compared with \$598,000 or 14¢ per share in 1979. The improvement is attributable to a higher gold price (\$607 versus \$274 in the first quarter of 1979) plus a \$1.9 million adjustment for gold in inventory at the end of 1979. Throughput totalled 101,000 tons versus 103,000 tons in the first quarter of 1979; grade was .207 versus .206 ounce gold

per ton and bullion production was 18,156 ounces versus 18,638 ounces. Provided that the gold price remains at or above present levels, earnings for the year should be ahead of those obtained in 1979.

The Corporation is currently negotiating a new collective agreement as the one in force came up for renewal on April 1, 1980. A conciliator has been appointed.

The Directors and I wish to express our appreciation for the services rendered by all employees under the able direction of our General Manager, Mr. W. A. Moore. Despite production set-backs caused by weather, power interruptions and roaster problems, they were able to improve production levels and as well make good progress in environmental and industrial health matters.

* * *

At the Annual Meeting, the shareholders elected the following Directors for the ensuing year.

A. J. Anderson
C. R. Archibald, Q.C.
D. J. Emery
E. L. Healy
W. F. James
J. D. Krane
G. P. Mitchell
P. L. Munro
J. D. Streit

On April 16, 1980 the Directors declared an interim dividend of 25 cents per share payable on June 30, 1980 to shareholders of record on June 9, 1980.

Ladies and Gentlemen:

On behalf of the Board of Directors and Officers, I am pleased to welcome you to the 37th Annual Meeting of the Corporation. I especially wish to thank those shareholders who are present today, and those who have sent in their proxies. As the Annual Report was recently mailed, I propose only to highlight activities in 1979 and comment briefly on first quarter results for 1980.

O Earnings in 1979 of \$8.3 million or \$1.93 per share were the highest in the Corporation's history, and much better than had been anticipated at the start of the year. Earnings in 1978 were \$3.7 million or 87¢ per share. The improvement reflects the unprecedented price increase in gold from a low of US\$217 per ounce in late January to US\$512 per ounce at the end of the year. In Canadian funds the average price received increased from \$233 per ounce in 1978 to \$412 per ounce in 1979. The exchange rate on US funds also had a beneficial effect on earnings.

S Consolidated operating costs rose from \$15.9 million or \$40.24 per ton in 1978 to \$18.7 million or \$44.90 per ton as a result of significant increases in oil, electrical power and other supply costs, plus increased development work for stope preparation and exploration. Capital costs were increased from \$422,000 in 1978 to \$1,245,000 in order to increase productivities in the mine and make improvements in the treatment plant operation.

Gold production fell from 95,000 ounces to 75,000 ounces as a result of purposely mining to lower grades in response to the higher price, but also as a result of lower than anticipated grades in some of the underground working places in the first quarter; a two week shutdown of the pits in February because of extremely cold weather; and a 10 day planned shutdown of the roaster in the third quarter. Despite these problems, throughput increased from 396,000 tons to 416,000 tons with the pits supplying 29% of the mill feed versus 27% in the prior year.

Recovery dropped from 88.75% to 87.76% due to difficulties experienced in treating lower grade ores during 1979. These ores are deficient in sulphur, the natural constituent in the ore that provides the fuel for the roasting operation. Because of the low sulphur content, and numerous power outages that interrupted process continuity, the roaster had to be shut down to clean out the bed and repair tuyeres to ensure a better air flow. Since that time, it has operated more effectively. Design work has started for the installation of a new blower to provide even better air flow through the tuyeres, and new equipment is being ordered for the flotation section to improve recoveries there. During 1979, the carbon plant was modified to ensure a better recovery of gold coming off in the roaster dusts.

Environmentally, further improvements were made in stack emissions and the operation is able to meet the new standards set in October 1979 by Environment Canada. Work is continuing on improvements in the quality of effluents from the tailings dams in order to meet Water Board requirements that will come into effect May 1981. An alkaline



YELLOWKNIFE MINES LIMITED
P.O. Box 40, Commerce Court West
Toronto, Canada
M5L 1B4

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TAKE NOTICE that the Annual Meeting of Shareholders of GIANT YELLOWKNIFE MINES LIMITED will be held in the Alberta Room, Royal York Hotel, 100 Front Street West, Toronto, Ontario, on

Monday, April 19, 1982

commencing at the hour of 11:00 o'clock in the forenoon (E.S.T.) for the purpose of:

- (a) Receiving the Annual Report for the year ended December 31, 1981 including the Report of the Directors, Financial Statements and Auditors' Report thereon;
- (b) Electing directors;
- (c) Appointing auditors and authorizing the directors to fix their remuneration; and
- (d) Transacting such other business as may properly come before the meeting.

Enclosed herewith is a copy of the 1981 Annual Report.

A shareholder unable to be present is entitled to be represented by proxy. The enclosed proxy is being solicited by the management of the Corporation. An addressed envelope is enclosed for the return of the proxy.

DATED at Toronto this 12th day of February, 1982.

By Order of the Board of Directors,

JAMES M. DACOSTA, Q.C., Secretary



P.O. Box 40, Commerce Court West
Toronto, Canada M5L 1B4

INFORMATION CIRCULAR AND PROXY STATEMENT FOR THE ANNUAL MEETING OF SHAREHOLDERS April 19, 1982 and any adjournments

SOLICITATION OF PROXIES

This statement is furnished in connection with the solicitation of proxies by the Board of Directors of Giant Yellowknife Mines Limited for use at the Annual Meeting of Shareholders of the Corporation to be held on April 19, 1982, and any adjournments thereof, for the purposes set forth in the accompanying notice of meeting. The management does not contemplate solicitation of proxies otherwise than through use of the mails. The Corporation does not intend to pay any compensation for the solicitation of proxies, but will pay the reasonable expenses of brokers or other persons holding shares in their own names or in the names of their nominees for forwarding the Annual Report, proxies and proxy material to beneficial owners.

It is anticipated that proxy material will first be mailed to shareholders on or about March 12, 1982.

VOTING RIGHTS

The holders of shares of the capital stock of the Corporation of record at the time of the meeting are entitled to vote on all matters which properly come before the Annual Meeting of Shareholders. There are 4,303,050 shares outstanding. Each share carries one vote. A majority of votes cast is required to carry any resolution. The attendance in person of three persons holding personally or representing by proxy twenty per centum of the shares constitutes a quorum. Falconbridge Nickel Mines Limited (hereinafter called Falconbridge) beneficially owns 824,413 shares, being 19.16% of the issued shares of the Corporation. No other person or company is known to the management to beneficially own directly or indirectly or exercise control or direction over more than 5% of the issued shares.

APPOINTMENT, REVOCATION AND VOTING OF PROXIES

The execution of a proxy will not affect a shareholder's right to attend the meeting and vote in person. Any shareholder giving a proxy has the right to revoke it at any time insofar as it has not been exercised. Sub-section 116 (4) of the Business Corporations Act, Ontario, sets out a procedure for revoking a proxy by deposit of a duly executed instrument in writing either at the head office of the Corporation at any time up to and including the last business day preceding the day of the meeting, or of any adjournment, or with the chairman of the meeting on the day of the meeting or adjournment thereof.

The persons named in the accompanying form of proxy are officers or directors of the Corporation. A shareholder has the right to appoint any other person, who need not be a shareholder, to represent him at the meeting and may do so by striking out the names of the persons designated and by inserting the name of his nominee in the blank space provided in the form of proxy accompanying this information circular, or by completing another form of proxy. The shares represented by the proxy will be voted, and where directions are indicated upon the proxy as to the manner of voting will be voted in accordance with such directions. It is not intended to use the proxy for the purpose of voting upon the financial statements and the reports of the directors and auditors.

The accompanying form of proxy, when properly signed, confers discretionary authority with respect to amendments or variations of matters identified in the accompanying notice of meeting and other matters which may properly come before the meeting, and in respect thereof will be voted on such matters in accordance with the best judgment of the person or persons voting the proxy. The management of the Corporation is not aware of any amendments, variations or other matters to come before the meeting other than matters referred to in the foregoing notice of meeting.

The shares represented by proxies received in the accompanying form will be voted or withheld from voting in accordance with the instructions of the shareholders on any ballot that may be called for and, if the shareholder specifies a choice with respect to any matter to be acted upon, the securities shall be voted accordingly.

ELECTION OF DIRECTORS

The Board of Directors is comprised of nine directors to be elected at the meeting, to serve until the next annual meeting or until their successors are elected or appointed. Unless authority to do so is withheld it is intended to vote proxies for the election of the underlisted nominees, including present directors whose term of office expires at the meeting. In the event that any vacancy occurs in the slate of nominees submitted herewith, it is intended that discretionary authority shall be granted to vote the proxy for the election of any other person or persons as directors; the management is not presently aware that any of such nominees would be unwilling to serve as a director if elected. Information concerning the nominees, as reported by each, is shown below; all nominees have been directors of the Corporation or its predecessor Giant Yellowknife Gold Mines Limited since the years respectively shown below.

INFORMATION CONCERNING DIRECTORS

<u>Name</u>	<u>Principal Occupation</u>	<u>First became director</u>	<u>Age</u>	<u>Number of Shares Owned Beneficially</u>
C. Roger Archibald, Q.C. .	Partner, Strathy, Archibald & Seagram,* Barristers & Solicitors, Toronto.	1955	71	5
Howard H. Bird	Geologist, Director of Development, Falconbridge Nickel Mines Limited (hereinafter called Falconbridge), since 1980, Toronto. ■	1981	56	Nil
Duncan R. Derry, O.C.	Consulting Geologist, Partner, Derry, Michener, Booth and Wahl, Toronto.		75	Nil
David J. Emery	Geologist, President and Managing Director of the Corporation, Yellowknife.	1975	51	Nil
William F. James	Consulting Geologist, Toronto.	1950	87	418
Lionel C. Kilburn	Geologist, Vice-President Exploration, Development and Western Canadian Operations, Falconbridge, Toronto, since November 1980. ■	1981	52	Nil
James D. Krane	Vice-President Corporate Affairs and Secretary, Falconbridge, Toronto. ■	1979	55	Nil
Geoffrey P. Mitchell	Geologist, President, Kiena Gold Mines Limited, Toronto.■	1968	65	Nil
J. Douglas Streit	Geologist, President, Yellowknife Bear Resources, Inc., Toronto.	1957	56	100

NOTE:

1. Falconbridge has reported shareholdings in the Corporation as shown above, but otherwise no associate of the above listed nominees is known to hold more than 5% of the voting rights attached to the shares of the Corporation.
2. None of the nominees has any beneficial shareholdings in Lolor Mines Limited or Supercrest Mines Limited, subsidiaries of the Corporation.
3. Howard H. Bird has been an employee of the Falconbridge group of companies since 1956 holding the position of Managing Director of African companies (1972-1979) and General Manager Operations (Continental) Africa (1979-1980).
4. For the past 14 years Duncan R. Derry has been a director of Akaitcho Yellowknife Gold Mines Limited, an associated company of Falconbridge and Giant. He is nominated to fill the vacancy occasioned by the death of Allan J. Anderson.
5. Lionel C. Kilburn was President and Chief Executive Officer of Corporation Falconbridge Copper from 1976 to 1981.

* The firm of Strathy, Archibald & Seagram acts as solicitors to the Corporation.

■ During the past five years or longer this nominee has been in the employ of Falconbridge, or other corporation, being a subsidiary or company associated with Falconbridge, in a professional, technical, executive or other role.

Of the above named nominees, the following individuals held directorships in companies whose securities were registered pursuant to Section 12 or 15 (d) of the Securities Exchange Act of 1934. Messrs. James and Mitchell are directors of Falconbridge. Mr. Streit is a director of G.D.V. Incorporated. Mr. James is also a director of Templeton Growth Fund and Templeton World Fund.

During 1981 the Board of Directors of the Corporation formally met on six occasions. Messrs. W. F. James and J. D. Krane attended fewer than 75% of the meetings.

COMMITTEES OF THE BOARD OF DIRECTORS

The Corporation does not have a Compensation or Nominating Committee. The Corporation does have an Audit Committee of its Board of Directors required by the provisions of the Business Corporations Act of Ontario. The members of the Audit Committee are Messrs. C. R. Archibald, J. D. Krane and J. D. Streit. The full Committee met once in 1981 and once in 1982, in each case to review the financial statements for the preceding year ended December 31st and to discuss the audit with the Corporation's auditors.

REMUNERATION OF DIRECTORS AND OFFICERS

	NATURE OF REMUNERATION		
	Remuneration (Aggregate)	Cost of Pension Benefits (Aggregate)	Other — Last Completed Financial Year (Aggregate)
(I) DIRECTORS (9)			
(A) From issuer and wholly-owned subsidiaries:	31,200	—	—
(B) From partially-owned subsidiaries:	—	—	—
TOTAL	\$ 31,200	\$ Nil	\$ Nil
(II) FIVE SENIOR OFFICERS			
(A) From issuer and wholly-owned subsidiaries:	313,919	29,687	—
(B) From partially-owned subsidiaries:	—	—	—
TOTAL	\$313,919	\$ 29,687	\$ Nil
(III) OFFICERS WITH REMUNERATION OVER \$50,000 (1)			
(A) From issuer and wholly-owned subsidiaries:	88,189	8,253	—
(B) From partially-owned subsidiaries:	—	—	—
TOTAL	\$ 88,189	\$ 8,253	\$ Nil

The legal firm of which Mr. Archibald, a director, is a partner billed \$1,831 in fees for 1981. The President of the Corporation, Mr. D. J. Emery, is the only director or officer receiving remuneration in excess of \$50,000.

Direct remuneration paid or payable by the Corporation and its subsidiaries to the directors and "senior officers" (which includes by definition of The Securities Act (Ontario), the five highest paid employees) aggregated \$388,309 for the year.

APPOINTMENT OF AUDITORS

It is proposed to vote for the re-appointment of Thorne Riddell, Chartered Accountants, as auditors. Thorne Riddell or its predecessor firms have been the auditors of the Corporation and its predecessor company, Giant Yellowknife Gold Mines Limited, since 1937.

It is expected that a representative of the auditors will be present at the Shareholders' Meeting, with an opportunity to make any statement if they desire to do so, and available to reply to any appropriate questions.

GENERAL

The Corporation continued the practice of participating in joint exploration ventures, including one with its parent and a second with an associated company to which \$534,217 was contributed.

Any proposal by a shareholder intended to be presented at the annual meeting to be held in the year 1983 must be received by the Secretary of the Corporation not later than November 26th, 1982.

Toronto, Ontario
February 12, 1982.

Upon written request addressed to the Secretary of the Corporation, P.O. Box 40, Commerce Court West, Toronto, Canada M5L 1B4, the Corporation will provide without charge to any person whose proxy is solicited hereby for use at the forthcoming Annual Meeting, and who represents himself as being the beneficial owner of shares of the Corporation at the date of such Annual Meeting, a copy of the Corporation's 1981 Annual Report on form 10-K to be filed with the Securities and Exchange Commission, U.S.A.

GIANT YELLOWKNIFE MINES LIMITED

7 KING STREET EAST
TORONTO 1, CANADA

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TAKE NOTICE that the Annual Meeting of Shareholders of GIANT YELLOWKNIFE MINES LIMITED will be held in the Elizabeth Room, King Edward Sheraton Hotel, Toronto, Ontario, on

Thursday, the 16th day of April, 1964

at the hour of 10:30 o'clock in the forenoon (Toronto Time) for the purpose of:

- (a) Receiving and approving the Annual Report, the financial statements for the year ended December 31, 1963 and Auditors' Report thereon;
- (b) Electing directors for the ensuing year;
- (c) Appointing auditors and authorizing the directors to fix their remuneration; and
- (d) Transacting such other business as may properly come before the meeting.

Enclosed herewith is a copy of the Annual Report, including the report of the directors, the balance sheet as at December 31, 1963, and accompanying financial statements and auditors' report to shareholders and report of the Mine Manager.

A shareholder unable to be present is entitled to be represented by proxy. The enclosed proxy is being solicited by the management of the Company. An addressed envelope is enclosed for the return of the proxy.

DATED at Toronto this 2nd day of March, 1964.

By Order of the Board,

A. C. CALLOW,
Secretary.

PROXY STATEMENT

GENERAL

This statement is furnished in connection with the solicitation of proxies by the management of Giant Yellowknife Mines Limited for use at the Annual Meeting of the Shareholders of the Company to be held on Thursday, the 16th day of April, 1964, in the Elizabeth Room, King Edward Sheraton Hotel, Toronto, Ontario, at 10:30 o'clock in the forenoon (Toronto Time), for the purposes set forth in the notice of meeting. A shareholder giving a proxy has power to revoke it at any time before it is voted. The revocation must be in writing. The Corporations Act of Ontario provides that notice of the revocation shall be deposited at the Head Office of the Company or with the Chairman of the meeting and shall be served on the proxy either personally or by mail, addressed to his last known address, and upon either of such deposits and upon either personal service or the expiration of two days of mailing, the instrument appointing the proxy is revoked.

The holders of shares of the capital stock of the Company of record at the date of the meeting are entitled to vote on all matters which properly come before the Annual Meeting of Shareholders. There are 4,303,050 shares outstanding. Each share carries one vote. The attendance in person of three persons holding personally or representing by proxy twenty per centum of the shares constitutes a quorum.

The management does not contemplate solicitation of proxies otherwise than through use of the mails. The Company does not intend to pay any compensation for the solicitation of proxies, but may pay

brokers or other persons holding shares in their own names or in the names of their nominees their expenses for sending proxies and proxy material to beneficial owners and obtaining their proxies. The Company will bear all expenses in connection with the solicitation of proxies.

In the case of a shareholder signing a proxy whose address on the records of the Company appears to be in the United States of America, such proxy will not be used in connection with any vote upon the Annual Report including financial statements of the Company for the period ended December 31, 1963, or the reports of the directors and auditors thereon.

ELECTION OF DIRECTORS

Nine directors are to be elected at the meeting, to serve until the next annual meeting or until their successors are elected or appointed. It is intended to vote proxies for the re-election of the present nine directors of the Company, whose term of office expires at the meeting. In the event that any vacancy occurs in the slate of nominees submitted herewith, which is not anticipated, it is intended that discretionary authority shall be granted to vote the proxy for the election of any other person or persons as directors. The information concerning the nominees for re-election as directors is shown below; each nominee has been a director of the Company or its predecessor Giant Yellowknife Gold Mines Limited since the year respectively shown below:

<i>Name and Principal Occupation</i>	<i>First became director</i>	<i>Shares owned Beneficially as of December 31, 1963</i>
ALLAN J. ANDERSON, Mining Engineer, Retired from office with the Company	1945	2,940
C. ROGER ARCHIBALD, partner, Roberts, Archibald, Seagram & Cole, Toronto, barristers and solicitors	1955	5
BASIL S. W. BUFFAM, Consulting Geologist, partner James & Buffam, Toronto	1953	1
THEODORE D. CARLSON, Financier, partner of Cyrus J. Lawrence & Sons, New York, Member, New York Stock Exchange	1959	3,000
H. J. FRASER, Mining Executive, President of Falconbridge Nickel Mines Limited and of the Company	1961	Nil
WILLIAM F. JAMES, Consulting Geologist, partner James & Buffam, Toronto	1950	418
HENRY S. MCGOWAN, Mining Engineer, General Manager Minerals Division, Falconbridge Nickel Mines Limited	1959	50
P. N. PITCHER, Mining Engineer, Vice-President and Managing Director of the Company and director and officer of other mining companies associated with Falconbridge Nickel Mines Limited	1962	Nil
J. DOUGLAS STREIT, Member, Toronto Stock Exchange	1957	100

Note: Messrs. Anderson, Archibald, Buffam, James, Fraser and McGowan are shareholders of Falconbridge, but none of them directly or indirectly hold 10% of its shares.

There are no persons known to the management to hold of record or beneficially more than 10% of the outstanding capital of the Company, except Falconbridge Nickel Mines Limited which has advised the Company that as at December 31, 1963, it held beneficially 1,080,800 shares being 25.12% of the outstanding capital of the Company.

The remuneration paid by the Company during the fiscal year ended December 31, 1963, to the underlisted persons for services in all capacities was as follows:

(1) Each director and each officer receiving over \$30,000. — None.

<i>Group</i>	<i>Capacities in which Remuneration Received</i>	<i>Aggregate Remuneration</i>
(2) Directors who are officers or were so in 1963	Salaries as officers	\$ 12,316
	Directors' fees	\$ 4,600
Other Directors	Directors' fees	\$ 9,230
Officers who are not directors	Salaries as officers	\$ 4,600

APPOINTMENT OF AUDITORS

It is intended to vote the proxies solicited hereby for the re-appointment of Gunn, Roberts and Co., Chartered Accountants of Toronto, the present auditors, as auditors for the Company, to hold office until the next Annual Meeting of Shareholders, unless a shareholder in signing this proxy should otherwise specify.

OTHER MATTERS

The management knows of no other matters to come before the meeting of shareholders other than referred to in the notice of meeting. Should any other matters properly come before the meeting, the proxy solicited hereby will be voted on such matters in accordance with the best judgment of the person or persons voting the proxy.

March 2nd, 1964,
Toronto, Ontario.

GIANT YELLOWKNIFE MINES LIMITED

7 KING STREET EAST
TORONTO 1, CANADA

PROXY

The undersigned shareholder of Giant Yellowknife Mines Limited hereby appoints H. J. FRASER, failing whom P. N. PITCHER, failing whom A. C. CALLOW, the proxy of the undersigned to attend, act and vote for and on behalf of the undersigned (with all powers which the undersigned would possess and according to the number of votes which the undersigned would be entitled to cast if personally present) at the Annual Meeting of Shareholders of Giant Yellowknife Mines Limited to be held on Thursday, the 16th day of April, 1964, and at any adjournments thereof, unless and until the undersigned is present in person thereat, and without limiting the general powers hereby conferred, to vote upon the following proposals, referred to in the notice of Meeting:

1. For the election of nine directors.

2. For ☐

Against ☐

The appointment of Gunn, Roberts and Co. as auditors of the Company.

DATED this _____ day of _____, 1964.

Signature of Shareholder

Note: If the appointor is a corporation the instrument of proxy must be signed under its corporate seal or under the hand of an officer or attorney so authorized.

THIS PROXY IS SOLICITED ON BEHALF OF THE MANAGEMENT.

THIS PROXY WILL BE VOTED AS DIRECTED, OR IF NO DIRECTION IS INDICATED,
WILL BE VOTED IN FAVOUR OF THE APPOINTMENT OF AUDITORS AFORESAID
AND ELECTION OF DIRECTORS.

J. BRADLEY STREIT & COMPANY LIMITED

MEMBERS
NOV 8 1960
TORONTO STOCK EXCHANGE
CANADIAN STOCK EXCHANGE
CALGARY STOCK EXCHANGE

80 RICHMOND ST. WEST
TORONTO 1, ONTARIO
CANADA

File 1960
**GIANT YELLOWKNIFE
MINES LIMITED**

**YELLOWKNIFE BEAR
MINES LIMITED**

*Two Profitable Natural Resource Companies
with Superior Growth Potentialities*

GIANT YELLOWKNIFE — Canada's third largest Gold producer, commenced production in 1949 at an average milling rate of 232 tons daily handling relatively rich gold ore grading about 0.80 oz. in gold per ton from its mining property at Yellowknife in the Northwest Territories. Milling was steadily increased to around 750 tons daily, but in the mid-1950's the complex metallurgy of its refractory ore cut down recovery of the gold content of the ore to a point endangering continued profitable operations. Following intense research, the metallurgical problems were largely solved about two years ago. Milling has been increased to the 1,000-ton a day level and recovery has improved from less than 70% to over 80% of the gold content in the year ended June 30, 1960, with the result that Giant produced in this latest fiscal year the largest net profit in its history at \$1,754,473, or approximately 44c per share after all charges and write-offs, including depletion. Dividend disbursements by Giant Yellowknife also reached record proportions in the past year with regular quarterly payments of 10c per share, and an extra of 10c for a 50c per share total in dividends.

J. BRADLEY STREIT & COMPANY

Limited

MEMBERS:

THE TORONTO STOCK EXCHANGE — CANADIAN STOCK EXCHANGE
CALGARY STOCK EXCHANGE — WINNIPEG GRAIN EXCHANGE

80 Richmond St. W.

Toronto, Ont.

EM. 2-4211

GIANT YELLOWKNIFE MINES LIMITED ★ ★ ★ YELLOWKNIFE BEAR MINES LIMITED

At mid-1960 Giant Yellowknife and Consolidated Sudbury Basin Mines Limited were amalgamated, resulting in an increase in outstanding Giant shares from 4,000,000 to 4,303,050. As a result of the merger, however, Giant will now be entitled to deduct from its future profits, for possibly the next seven or more years, in computing its income for tax purposes an estimated \$7,410,544 in development expenses and \$8,114,239 in undepreciated capital cost at Consolidated Sudbury Basin. These deductions should leave Giant free of income tax payments for this substantial future period. Part of the savings, no doubt, will be used in research seeking a solution to the complex metallurgical problems which to date have prevented bringing into production the two mines which Sudbury Basin has developed in the Sudbury, Ontario area. The valuable potential of these mines can be seen in the proven ore reserve figures of the "A" orebody with 4,418,500 tons grading 1.33% copper, 1% lead, 3.97% zinc, 0.026 oz. gold, and 1.161 oz. silver per ton; and the "B" orebody with 9,038,317 tons grading 1.14% copper, 0.99% lead, 3.82% zinc, 0.023 oz. gold, and 1.58 oz. of silver.

Giant Yellowknife at June 30, 1960 reported ore reserves of 2,540,500 tons grading approximately 0.80 oz. of gold per ton. The mine has this year embarked on an aggressive development program to test present ore zones at depth, and judging from known drill indications is expected to add materially to total ore reserves during the coming year, possibly to a sufficient extent to warrant still further increase in its operating rate. Giant, this year, is also enjoying an added fillip to its earning power as a result of the recent advance in the world price of Gold above the \$35 an ounce U.S. price. Giant is one of 10 Canadian gold mines which regularly sells its Gold output on the open market rather than to the Canadian government, and can thus benefit fully from any premium commanded by Gold.

YELLOWKNIFE BEAR — This company owns a well-diversified portfolio of securities largely in the field of natural resource development, with major emphasis on Gold, Silver, Oil and Natural Gas, Copper, Lead and Zinc, and Florida Real Estate.

It is the second largest shareholder of Giant Yellowknife Mines, owning 488,362 shares, or more than one share of Giant for each 10 Yellowknife Bear shares outstanding. Giant Yellowknife shares recently reached an all-time high on the Toronto Stock Exchange at \$14½, equivalent to a value of more than \$1.45 for

each share of Yellowknife Bear. Yet this valuable investment in Giant shares is but a part of Yellowknife Bear's portfolio. Its 400,000 shares or 20% of the capital of Florida West Coast Land is carried by Yellowknife Bear on its books at the cost of only \$5,000. The Florida company, however, holds \$38,873,267 in purchase money mortgages received from General Development Corp. in payment for the 80,000 acres it sold to General Development and which the latter is developing and aggressively selling. As a result of sales thus far Florida West Coast had earnings to June 30, 1960 after all charges and provision for low-tax capital gains in an amount so that the shareholders' equity on that date aggregated \$7,830,295, of which \$1,568,000 is applicable to Yellowknife Bear's 20% interest.

Yellowknife Bear also owns 486,500 shares, and with affiliated companies controls 650,000 shares or over 30% of the capital of Agnico Mines Limited, the largest silver producer in the famed Cobalt area of Ontario. It owns 278,999 shares of Alminex Limited, one of western Canada's most rapidly developing independent oil and natural gas producers; 141,769 shares of Copper Rand Chibougamau Mines, the newest copper-gold producer at Chibougamau and which has already established its large-scale and profitable operation. These and several other miscellaneous security holdings with interesting future development possibilities have a quoted market value at present in excess of \$1,770,000, or another 37c of present quoted value back of each Yellowknife Bear share; and there are additional investments in shares of several mine prospects, some holding property in the Yellowknife area close in to Giant Yellowknife, but with no current market quotation available.

All in all, with quoted security holdings valued at more than \$1.80 per share, plus the obviously considerable value of its Florida West Coast Land shares and other miscellaneous securities, the current quotation for Yellowknife Bear Mines shares on the Toronto Stock Exchange, in the vicinity of \$1.10, appears to us to represent a considerable under-valuation.

J. BRADLEY STREIT & COMPANY LIMITED.

November 1, 1960.

Data appearing above has been obtained from sources considered reliable, but is not guaranteed. J. Bradley Streit & Co., Ltd. and/or its shareholders own shares in some of the companies mentioned above, and in some cases are represented on their Board of Directors.

GIANT YELLOWKNIFE MINES LIMITED

7 King Street East
Toronto 1, Canada

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TAKE NOTICE that the Annual Meeting of Shareholders of GIANT YELLOWKNIFE MINES LIMITED will be held in the Elizabeth Room, King Edward Sheraton Hotel, Toronto, Ontario, on Tuesday,

APRIL 23, 1968

at the hour of 10:30 o'clock in the forenoon (E.S.T.) for the purpose of:

- (a) Receiving the Annual Report for the year ended December 31, 1967, including the Report of the Directors, Financial Statements and Auditors' Report thereon;
- (b) Electing the directors for the ensuing year;
- (c) Appointing auditors and authorizing the directors to fix their remuneration; and
- (d) Transacting such other business as may properly come before the meeting.

Enclosed herewith is a copy of the Annual Report.

A shareholder unable to be present is entitled to be represented by proxy. The enclosed proxy is being solicited by the management of the Company. An addressed envelope is enclosed for the return of the proxy.

DATED at Toronto this 1st day of March, 1968.

By Order of the Board,

A. C. CALLOW,
Secretary.

INFORMATION CIRCULAR and PROXY STATEMENT

GENERAL

This statement is furnished in connection with the solicitation of proxies by the management of Giant Yellowknife Mines Limited for use at the Annual Meeting of Shareholders of the Company to be held on Tuesday, the 23rd day of April, 1968, for the purposes set forth in the above notice of meeting. The management does not contemplate solicitation of proxies otherwise than through use of the mails. The Company does not intend to pay any compensation for the solicitation of proxies, but may pay brokers or other persons holding shares in their own names or in the names of their nominees their expenses for sending proxies and proxy material to beneficial owners and obtaining their proxies. The Company will bear all expenses in connection with the solicitation of proxies.

VOTING RIGHTS

The holders of shares of the capital stock of the Company of record at the time of the meeting are entitled to vote on all matters which properly come before the Annual Meeting of Shareholders. There are 4,303,050 shares outstanding. Each share carries one vote. A majority of votes cast is required to carry any resolution. The attendance in person of three persons holding personally or representing by proxy twenty per centum of the shares constitutes a quorum. Falconbridge Nickel Mines Limited beneficially owns 1,016,609 shares, being 23.62% of the issued shares of the Company. No other person is known to the management to own more than 10% of the issued shares.

APPOINTMENT, REVOCATION AND VOTING OF PROXIES

The execution of a proxy will not affect a shareholder's right to attend the meeting and vote in person. Any shareholder giving a proxy has the right to revoke it at any time insofar as it has not been exercised. Sub-section 75a. (4) of the Corporations Act (Ontario), as amended, sets out a procedure for revoking a proxy by deposit of a duly executed instrument in writing either at the head office of the Company at any time up to and including the last business day preceding the day of the meeting, or of any adjournment, or with the chairman of the meeting on the day of the meeting or adjournment thereof.

The persons named in the accompanying form of proxy are officers and directors of the Company. A shareholder has the right to appoint any other person, who need not be a shareholder, to represent him at the meeting, and may do so by striking out the names of the persons designated and by inserting the name of his nominee in the blank space provided in the form of proxy accompanying this information circular, or by completing another form of proxy. The shares represented by the proxy will be voted, and where directions are indicated upon the proxy as to the manner of voting, will be voted in accordance with such directions. It is not intended to use the proxy for the purpose of voting upon the financial statements and the reports of the directors and auditors.

The accompanying form of proxy, when properly signed, confers discretionary authority with respect to amendments or variations of matters identified in the accompanying notice of meeting and other matters which may properly come before the meeting, and in respect thereof will be voted on such matters in accordance with the best judgment of the person or persons voting the proxy. The management of the Company is not aware of any amendments, variations or other matters to come before the meeting, other than matters referred to in the foregoing notice of meeting.

ELECTION OF DIRECTORS

The Board of Directors is comprised of nine directors to be elected at the meeting, to serve until the next annual meeting or until their successors are elected or appointed. It is intended to vote proxies for the election of the underlisted nominees, including present directors whose term of office expires at the meeting. In the event that any vacancy occurs in the slate of nominees submitted herewith, it is intended that discretionary authority shall be granted to vote the proxy for the election of any other person or persons as directors; the management is not presently aware that any of such nominees would be unwilling to serve as a director if elected. Information concerning the nominees, as reported by each, is shown below; certain nominees have been directors of the Company or its predecessor Giant Yellowknife Gold Mines Limited since the years respectively shown below:

INFORMATION CONCERNING DIRECTORS

<u>Name</u>	<u>Principal Occupation</u>	<u>First became director</u>	<u>Shares Owned Beneficially as of March 1, 1968 (3)</u>
Allan J. Anderson	Consulting Mining Engineer, Toronto	1945	440
C. Roger Archibald	Partner, Strathy, Archibald, Seagram & Cole, Toronto, Barristers & Solicitors	1955	5
Basil S. W. Buffam	Consulting Geologist, partner, James, Buffam & Cooper, Toronto	1953	1
D. R. DeLaporte	Vice-President and General Manager of the Company. Vice-President, Western Minerals Division, Falconbridge Nickel Mines Limited, formerly General Manager of the Company from 1963	1968(2)	Nil
H. J. Fraser	Mining Executive, President of Falconbridge Nickel Mines Limited and of the Company	1961	Nil
E. L. Healy	Mining Engineer, Vice-President, Nickel Division, Falconbridge Nickel Mines Limited	1965	Nil
William F. James	Consulting Geologist, partner, James, Buffam & Cooper, Toronto	1950	418
G. P. Mitchell	Geologist. Since February 1, 1968, Vice-President Exploration and Development, Falconbridge Nickel Mines Limited, prior to which for more than five years Director of Exploration and Geology of Falconbridge.		Nil
J. Douglas Streit	Member, Toronto Stock Exchange	1957	100

NOTE:

1. Falconbridge Nickel Mines Limited has reported shareholdings in the Company as shown above, but otherwise no associate of the above listed nominees is known to hold more than 10% of the voting rights attached to the shares of the Company.
2. Appointed February 26, 1968, to succeed P. N. Pitcher, resigned.
3. Directors' holdings have been reported as of March 1, 1968. None of the nominees has any beneficial share holdings in Lohr Mines Limited or Supercrest Mines Limited.

REMUNERATION OF MANAGEMENT

During the fiscal year ended December 31, 1967:

- (a) No director or officer received over \$30,000.
- (b) Direct remuneration was paid to directors and officers as follows:

<u>Group</u>	<u>Capacities in which Remuneration Received</u>	<u>Aggregate Direct Remuneration</u>
Two directors who are officers or were so in 1967	Salaries as officers \$ 13,500 Directors' fees 2,800	\$16,300
Seven other directors	Directors' fees	9,073.09
Officers who are not directors	Salaries as officers	3,500.00

- (c) Expressed in different terms, direct remuneration paid or payable to the directors and "senior officers" (which includes the definition of the Securities Act (Ontario), the five highest paid employees) of the Company and its subsidiaries aggregated \$73,074.91.
- (d) The estimated aggregate cost to the Company and its subsidiaries for the year ended December 31, 1967, of pension benefits proposed to be paid to certain directors and senior officers, as above defined, and its subsidiaries under the normal pension plan of the Company and certain associated companies, in event of retirement at normal retirement age, was \$5,199; pension benefits are determinable on the basis of aggregate salaries of the individual from all companies served by him during the last ten years preceding normal retirement age.

APPOINTMENT OF AUDITORS

It is proposed to vote for the re-appointment as Auditors of Messrs. Thorne, Gunn, Helliwell & Christenson, which firm or its predecessor, Messrs. Gunn, Roberts and Co., have been Auditors of the Company for many years.

Toronto, Ontario,
March 1, 1968.

The Mediterranean region is a unique and diverse area, home to a rich cultural heritage and a wide range of natural resources. It is a region of great strategic importance, and its development is a priority for all the countries in the area. The Mediterranean Development Bank (MDB) was established in 1964 to promote economic and social development in the region. The Bank's main objective is to provide financial assistance to member countries for the development of infrastructure, industry, agriculture, and social services. The Bank has a long and successful record of providing such assistance, and its work is highly valued by the member countries. The Bank's capital is provided by the member countries, and it operates on a non-profit basis. The Bank's headquarters are in Paris, France, and it has a network of offices in the member countries. The Bank's work is financed by the member countries, and it is subject to the supervision of the International Monetary Fund (IMF). The Bank's work is also subject to the supervision of the World Bank. The Bank's work is highly valued by the member countries, and it is a key institution in the development of the Mediterranean region. The Bank's work is a testament to the power of international co-operation in the development of the region. The Bank's work is a testament to the power of international co-operation in the development of the region. The Bank's work is a testament to the power of international co-operation in the development of the region.